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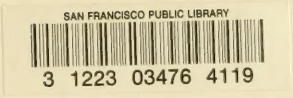

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SAN FRANCISCO AIRPORTS COMMISSION

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MINUTES

Wednesday, January 18, 1984

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President
WILLIAM K. COBLENTZ
Vice-President
RUTH S. KADISH
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

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Index of the Minutes Airports Commission

January 18, 1984
Special Meeting

Calendar Section	Agenda Item	Title	Resolution Number	Page
A		CALL TO ORDER		3
B		ROLL CALL		3
C		ANNOUNCEMENT BY SECRETARY		3
D		DIRECTOR'S REPORTS:		
	1	Status Report on Planning for Special Events in 1984-85		4-5
	2	Increase in Rental Rates for Permitted Cargo Space		5
	3	Seating in International Terminal Domestic Baggage Claim Area - Verbal Report		5-6
	4	Report Outlining Lease Specifications - Limousine Service		6-7
	5	Principal Concession North Terminal "Hub"		7-9
	6	Revised Airports Commission Rules and Regulations		9
E		ITEMS INITIATED BY COMMISSIONERS		9-10
F		AGENDA ITEMS INVOLVING MAJOR POLICY OR OPERATIONAL DECISIONS:		
	7	Luggage Carts in Customs Area	84-0001	10-12
	8	Policy Statement on Commercial Advertising	84-0002	12-13
	9	$23,250 Supplemental Appropriation for Special Events in July, 1984		13-14
	10	$8,242,807 Supplemental Appropriation for Capital Projects	84-0003	14
	11	Airport Informational Brochure	84-0004	14-15
	12	Amendment to Airports Commission Rules of Order	84-0005	15
G		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	13	Award of Contract No. 1449 - Replacement of Cable 12TA-6 $25,000.00	84-0006	15-16

Calendar Section	Agenda Item	Title	Resolution Number	Page
	14	Statistical Adjustments for 1983-84 Joint Use Billings Under New Lease and Use Agreement	84-0007	16
	15	Approval of Fund Transfer to the San Francisco Fire Department	84-0008	16
	16	1985 Super Bowl Task Force	84-0009	16-17
	17	Travel/Training for Fiscal Year 1983-84	84-0010	17
H		PUBLIC HEARING:		
	18	Public Hearing Concerning Proposed Airports Commission Budget		17-18
I		COMMUNICATIONS		18
J		TRAILING CALENDAR		18
K		CLOSED SESSION		4
L		ADJOURNMENT TO GO INTO CLOSED SESSION		18

AIRPORTS COMMISSION

MINUTES

WEDNESDAY, JANUARY 18, 1984

SPECIAL MEETING

ORDER OF BUSINESS

A. CALL TO ORDER:

The special meeting of the Airports Commission was called to order at 2:00 P.M. on Wednesday, January 18, 1984 in Room 2B, City Hall, San Francisco, California.

* * *

B. ROLL CALL:

Present: Commissioners Morris Bernstein, William K. Coblentz, Ruth S. Kadish, Z.L. Goosby, J. Edward Fleishell

* * *

C. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Section 54957.1, Jean Caramatti, Commission Secretary, announced the unanimous adoption of resolution 83-0345 agreeing to defray the costs of accounting services deemed necessary by the City Attorney in an amount not to exceed $25,000 for the preparation and trial of the City and County of San Francisco v. SFO Airporter, at the closed session of December 20, 1983.

* * *

K. CLOSED SECTION:

The meeting was adjourned at 2:03 P.M. to go into closed session and was reconvened at 2:35 P.M.

* * *

D. DIRECTOR'S REPORTS:

1. Status Report on Planning for Special Events in 1984-85

Informational report regarding planning activities by Airport staff in anticipation of the Democratic Convention and several other special events occurring in 1984-85.

Mr. Lou Turpen, Airport Director, said that there will be a number of special events occurring in 1984-85 commencing in July. As mentioned in his January 10 memo to the Commission chief among those events are the Democratic Convention, the Lion's Club Convention and the All-Star Game, all in July. He also mentioned that the Olympic trials will be held in Stanford in July and the Super Bowl will be in January, 1985. He estimated that Airport traffic would increase by about 2-1/2 percent, or about 600,000 passengers due to these events.

Mr. Turpen said that staff has outlined some of the aspects of the special events planning. He explained that all of the costs anticipated for the special events were put into a programmatic line-item budget thus giving the Commission a true picture of the expenditures. As mentioned in his memo he explained that the anticipated expenditures outlined tended to be a bit on the conservative side. Mr. Turpen said he will come back to the Commission with a refinement of the figures as planning proceeds and then asked the Commissioners for their input.

Commissioner Coblentz said that what was being proposed made a great deal of sense but he felt that spending $100,000 on a hospitality room was inappropriate.

Mr. Turpen said he would reexamine the proposal.

Commissioner Fleishell said that he has attended several conventions and that most delegates arrive on chartered aircraft and private planes and immediately leave the Airport on chartered buses and limousines for their hotels. He said airports never play a major role.

Commissioner Fleishell suggested that staff call Chicago and Miami to find out how they handled these conventions.

Commissioner Kadish agreed with Commissioners Coblentz and Fleishell. She said that there was no documentation as to the actual need for some of the items listed and that the approximation of costs should be broken down before the Commission takes action. She said that the Commission does not know whether the request for additional personnel in the garage was an in-house estimate or a concessionaire's estimate. As for the North Terminal conference room, she felt that replacement and repair work could be done after the convention.

Regarding the nursery being turned into a media area, she suggested that there be some consideration as to whether the nursery currently serves any function and whether there should be a permanent change. Figures have never been received as to how much the nursery is used. Commissioner Kadish reminded Mr. Turpen that should the nursery be eliminated that it not be included in the brochure as an Airport facility.

Commissioner Kadish said that staff has to refine this information and come back to the Commission with more detail and that any final decision should be delayed.

Commissioner Goosby felt that staff should be a little more frugal.

Commissioner Bernstein also felt that more detail was necessary.

Mr. Turpen asked if the Commission wanted to treat this as a normal influx of traffic.

Commissioner Coblentz responded that it won't just be a normal influx of traffic and felt that additional personnel overtime would be needed but he felt that enhancing parts of the Airport was unnecessary.

Commissioner Goosby said the police were asking for additional vehicles and didn't feel they should be purchased just for the convention.

Mr. Turpen said that when the budget was being put together there was some discussion regarding the replacement of those vehicles. At that time he asked the Police Department if they could live with those vehicles one more year as a cost reduction measure. The Police Department said no; that they were well beyond the criteria for maintenance and mileage. It was staff's thinking that if we were going to schedule replacement for the coming year why not accelerate that by a month or so and get them this year. Mr. Turpen said that it does not have to be done that way but felt that since the City and County of San Francisco is hosting the convention it might be appropriate to put forth a slightly different effort.

Commissioner Kadish commented that she agreed with Commissioner Goosby and said that we either need those vehicles or we don't.

2. Increase in Rental Rates for Permitted Cargo Space

Report recommending new rate schedule for cargo handling space rented to airlines under permits.

Commissioner Kadish asked why the item included a resolution since this was a Director's Report.

Mr. Turpen responded that the resolution should have been marked "draft". He said that this item was simply the first notice and there will be a public hearing on cargo rate increases.

3. Seating in International Terminal Domestic Baggage Claim Area - Verbal Report

Mr. Turpen asked Jason Yuen to brief the Commission.

Mr. Yuen, Administrator, Bureau of Planning and Construction, said that there are several locations where benches could be placed (Mr. Yuen indicated those areas on a chart). He said he received only one bid for the contract and would like to have more time so it can be re-bid.

4. Report Outlining Lease Specifications - Limousine Service

Report outlining lease specifications for the lease for Exclusive Limousine Operations.

Commissioner Bernstein said that the Commission would be happy to hear comments from the audience but that no decision would be made today.

Mr. Turpen said that the report outlines the bid specifications for the limousine operation. He explained that the proposal was for an exclusive limousine operation serving the Bay Area. He said that the criteria for the bid is outlined on page 2 of his memo to the Commission and that staff is available to answer questions. He pointed out that in anticipation of some of the special events in July he outlined a schedule that would be realistic in order to conduct the bidding for a limousine operation at the Airport prior to that date. If the Commission wants to take more time to deliberate this item then he suggested putting off the bidding until after July.

Mr. Al Arnaud, representative for Associated Limousines of San Francisco, said he wanted to address the time-frame just mentioned. He said he has discussed this at length with Associated Limousine operators and found that it is not feasible for them to adequately prepare and put into operation the type of service that is contemplated in the proposal. He said it would be necessary for Associated Limousine operators to negotiate with other limousine operators and hopefully enter into a joint venture in order to comply with requirements. He said it would also be necessary to go to the State Public Utilities Commission to ensure that their permits are in order and that the permits allow service to all the areas contemplated in the proposal. He said that at the present time different limousine companies have different areas of responsibility and that many of the permits they have are limited to those areas. He said that this is not an impossible task but it is just not feasible in the time-frame allowed. He also said that in order to do an efficient job of what is proposed a certain amount of time will be needed to train individuals, to hire new people, and, there will be a new administration of the actual servicing of limousines at the Airport. He repeated that to do all this in the given time-frame was not feasible.

Commissioner Goosby commented that there is a provision in the bid specifications that gives the Airport responsibility for handling requests for pick-ups by other limousine services to the company that wins the bid. He was not questioning the ethics of people in the business but was not sure how fairly those requests would be handled. He felt that this was the Airport's responsibility.

Commissioner Goosby asked how much a limousine ride into the City was per person.

Mr. Turpen responded that it was around $30.00.

Commissioner Goosby said that the bid specifications say that in a "share-the-ride circumstance no more than two stops shall be permitted prior to the last passenger arriving at his/her destination". He asked why not three stops instead of two, and, would the cost would go down with three stops.

Mr. Turpen said he would look into it but thought the limit to two stops was for the convenience of the passengers.

Commissioner Kadish said there was no requirement in the specifications as to the frequency of service or fair cost of service. She also said that there was a list of things that the concessionaire cannot do but that there were no penalties listed. Finally, inasmuch as the improvements must originally go through the Design Review procedure she felt that when any changes or extensions are made that they too should go through the same Design Review procedure.

Commissioner Coblentz asked why the Airport's affirmative action goal was raised to 40 percent when 25 percent has been used in the past.

Ms. Angela Gittens, Deputy Director for Business and Finance, responded that it was felt that since in this case there were more minorities involved in the industry a 40 percent goal could be reached.

Commissioner Coblentz said he did not see any reason why the goal should be changed; he would vote against it.

5. Principal Concession North Terminal "Hub"

Report proposing the conceptual approval of the development of a North Terminal "Hub" into a Principal Concession Lease and the inclusion of the assignment of the existing North Terminal Jewelry Shop Lease to the successful bidder.

Mr. Turpen said this item was being reintroduced at the Commission's request and presented as an introductory item rather than an item for adoption. He explained that the purpose was to solicit the Commission's ideas so that staff can reformulate the item and make it consistent with the Commission's thinking.

Commissioner Bernstein asked under what terms was the jewelry shop lease being cancelled.

Mr. Turpen said the lease was not being cancelled it was being assigned to the successful bidder of the principal concession.

Angela Gittens, Deputy Director of Business and Finance, said that the successful bidder of the principal concession would accept assignment of the jewelry lease.

Commissioner Bernstein asked what happens to the present lease. He felt that in effect it was a cancellation of the lease.

Ms. Gittens said it would be a cancellation to the present owner.

Commissioner Bernstein said that a lack of business judgment on the part of the leasee was no reason to disregard a penalty.

Ms. Gittens responded that the rationale was that it was in the Airport's interest to accept the assignment so that the Airport could use the space that is occupied by the current lease. She said that this was advantageous to both sides. She said that the last time this item came up before the Commission they expressed a desire to discuss potential penalities for sanctions.

Commissioner Bernstein repeated that if there is a cancellation of a lease because of bad business judgment he does not want the Airport penalized. He said that everyone should be treated alike.

Ms. Gittens responded that this space will benefit the Airport.

Commissioner Bernstein said that we want the space, we're cancelling the lease for our benefit and we are not paying them anything.

Commissioner Goosby asked if they were giving up both locations.

Ms. Gittens responded that the Airport would retain the location on the main concourse and take the cable car and move the jewelry into the main area of the Hub.

Commissioner Goosby said that they would then have the location out at the Hub as well as the present location out on the main concourse.

Commissioner Bernstein asked if this was initiated by staff or by the leasee.

Ms. Gittens responded that initially the leasee approached staff. She explained that staff had not accepted this until it was clear that it was to the Airport's benefit.

Commissioner Goosby said it could be acceptable but they should still pay a penalty.

Commissioner Kadish said she has the same problems with this presentation that she had with the one on November 1st. She said that none of the points that were raised by either Commissioner Bernstein or herself were responded to in this presentation. She referred to the minutes of November 1st which lists specific requests and she asked that they be responded to so that the item can be discussed intelligently. She said the Commission has not been presented with schematic drawings of the space allocations; they have not been given any information as to how these particular concessions had been decided upon nor had they received the justifications for the selections. She said that Dr. Goosby had asked for a breakdown of why the full amount of space was not being used. Commissioner Bernstein asked for information on the sales volume of other concessionaires in that area. She said it is important that the Airport not open up concessions that are doomed to failure and the Commission needs this kind of information in order to assure success. She said that the Commission does not want the kind of problems that the jewelry shop had nor do they want the kinds of problems that exist in other areas. Commissioner Kadish said that since that time she has gone through various parts of the Airport to look at the concessions and has seen that many of them are not as successful as the Commission had thought they would be, nor are they fulfilling the specifications that they were supposed to fulfill. She said that these are things that should be taken care of in an initial presentation.

Commissioner Goosby said that the point made about the rationale for the selection was a valid one. He wanted to know what the basis was for the decision to have an American Dry Goods Shop and Art Poster Shop. He had also wanted to know about the Museum proposal and

whether or not the Museum could be a bidder. He said there had been a discussion about a meat, sausauge, french bread concession or frozen crab concession. He said the Commission would like staff's arguments. Commissioner Goosby also wanted to know why all the space was not being used. There is 5,854 square feet available and only 2,250 square feet will be used. He assumed that some of the space was going to be used for storage. He asked if it was feasible to limit the bidder to 50 percent of the space and put the other 50 percent out to bid to local business people. He said that he wished he had thought of this when the International Terminal was being bid. He asked that staff address this possibility.

Commissioner Bernstein commented that the minutes of November 1st, page 10, state that 25 percent of the retail space was turned over to the affirmative action policy yet it does only 10 percent of the volume. He asked if that statement was correct.

Ms. Gittens responded that that is the current experience of the International Terminal principal concession operation.

Ms. Gittens remarked, in response to Commissioner Kadish's comments, that for a variety of reasons there was a delay in getting this back to the Commission but that staff sent a response to several of the concerns under separate cover.

Commissioner Kadish said none of the concerns were covered.

Ms. Gittens responded that staff did not go into the rationale for each concession but the question of the museum was covered.

Commissioner Goosby said he never saw that response.

6. Revised Airports Commission Rules and Regulations

Mr. Turpen said that an early draft of the Airport Rules and Regulations was sent to the Commission on December 20. He said that unless the Commission has any objections a public hearing will be held on February 7 and will appear again on the February 21 calendar for approval.

Commissioner Fleishell suggested that in the future when changes are made that those changes be underlined.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Kadish said that the monthly reports supplied by the Bureau of Planning and Construction and the quarterly report on the valet operation are most helpful. She felt that it would be valuable to receive monthly reports from other departments at the Airport to keep the Commission up to date: Property Management, indicating how prices and various concessions were being monitored; Community Affairs; and Maintenance. She said that when she was at the Airport on Saturday she noticed that the vinyl on the wall on the lower level of the International

Terminal had been badly scarred and chipped, particularly at corners. She suggested that the Airport might have to place metal corners on the walls, much like those used in hospitals. She felt that this is the sort of thing that could be addressed by the Maintenance Division.

Commissioner Bernstein asked if the signs in the International Terminal arrivals area are only in English and, if so, shouldn't they also be in other languages.

Mr. Turpen responded that this subject came up about a year ago and at that time Sheldon Fein had indicated that the Airport was pursuing international signing. He said that this type of signing was eventually used and was coordinated with the architect.

* * *

F. AGENDA ITEMS INVOLVING MAJOR POLICY OR OPERATIONAL DECISIONS:

The following item was adopted by a 4 - 1 vote with Commissioner Coblentz casting the dissenting vote.

7. Luggage Carts in Customs Area

84-0001 Resolution to direct that a system of free carts be developed and put in operation in the Customs area as soon as practicable.

Mr. Turpen said that the item is self explanatory. Staff has done an extensive analysis of the operation and how to make the transfer.

Commissioner Bernstein asked Mr. Paul Van Wert if he wished to speak.

Mr. Paul Van Wert, United Airlines, said that the Commission has received copies of the telegram sent on December 16, as well as the letter from the Foreign Flag Carriers opposing the concept of converting to free luggage carts in the FIS area. He mentioned that the three airports which are at least closely affiliated in one respect with SFO are Chicago, Los Angeles and Honolulu. Chicago, in 1983, converted to a pay cart system in the FIS area. In Honolulu, one of the primary functions is the acceptance of foreign passengers into the United States. He explained that any aircraft that stops in Honolulu has to pre-clear its passengers so that the FIS in Honolulu is a huge facility. He said that they converted to a pay cart system in the FIS area and there is a great sign of relief, not only among the airline operators but from the State as well.

Mr. Van Wert said that he could not think of another airport that is more concerned about its image than the Los Angeles Airport is with the coming of the Olympics, nor could he think of a facility that is going to have a greater strain of it than the FIS in the new West Terminal in Los Angeles. He said that the West Terminal will open in June and will be an 11-gate international terminal, having one more gate than SFO's International Terminal. Mr. Van Wert explained that

since Los Angeles was relocating their international function they wanted to reexamine the luggage cart issue and it was a major item on their agenda last Wednesday.

Mr. Van Wert told the Commission that Cliff Moore, General Manager of the Los Angeles Airport, was in favor of converting to a free cart system in the FIS International Terminal. His staff, from the Deputy Director on down, recommended otherwise to the Commission; they wanted a continuatiuon of the pay cart system. The Commission in Los Angeles was presented with four distinct alternatives, including reaffirmation of their existing pay cart system, a free cart system in the FIS, pay carts in the rest of the airport, and, various expansions of the free cart system. After a very lengthy meeting the Commission voted unanimously to go with a pay cart system. Mr. Van Wert said that he knew that this is an issue that the Commission has been considering for a long time and in addition to the objections that are on file he said he would like to make available to Commission members a transcript of the debate held in Los Angeles last week on this subject. He tried to have it available for the meeting today but was unsuccessful in obtaining it. He asked the Commission to defer action on this item until they had a chance to review the extensive discussion on this matter held by the Los Angeles Airports Commission.

Commissioner Bernstein said that this item has been discussed for the past seven or eight months. He said it was initiated because the Commission was told that most international airports had free carts; now we find that they don't. He said that he was for free carts and plans to vote that way.

Commissioner Kadish suggested that the Commission defer to Mr. Van Wert's request and put the item over to the next meeting.

Commissioner Coblentz said that he originally voted for free carts based on the information he had but is now against them for a number of reasons. He felt that the Airport would be breaching a contract with the present operator. He also said that the Airport would have a discriminatory problem with free carts. He explained that as a domestic traveler he has almost as many problems on arrival as does an international traveler and he doesn't get a free cart. He felt that the Airports Commission will get a lot of criticism as a result. Thirdly, he has seen what happens with free carts in New York City. He explained that you reach a certain stand going through Customs and must give up the cart. He said he has been to Dusseldorf and Munich where you have to pay for your carts, but in England, where you don't have to pay, the cost is horrendous to the airport itself. He said that he did not want the Airport to incur any more expense than necessary at the present time for something that he doesn't think will work, and for something that he feels breaches the sanctity of the contract.

Mr. Paul Van Wert commented that although he could not attest to their credibility, those individuals who commented on the currency question in Los Angeles agreed that 99% of the people who arrive in the customs area have at least one American dollar in their pocket. As for the other issue of cost, the airlines in San Francisco also believe that some of the estimates by Airport staff on the cost to the airlines in going to a free cart system will be closer to half-a-million dollars.

Commissioner Kadish moved that the item be put over to the next meeting and Commissioner Coblentz seconded the motion.

Commissioner Fleishell asked for a vote on whether or not the item should be put over.

Commissioner Goosby said that the motion should include putting the item over in order to study the transcript that Mr. Van Wert is to make available.

The motion failed on a 3 - 2 vote with Commissioners Bernstein, Goosby and Fleishell voting against it.

The roll was then called for approval of the item. It was adopted by a 4-1 vote with Commissioner Coblentz casting the dissenting vote. Commissioner Coblentz asked that the minutes show the points that he raised.

Commissioner Goosby suggested that the resolve include the statement indicating that the one year agreement ends on July 13th.

Commissioner Fleishell said that he does not wish to breach the agreement.

Mr. Turpen said that the change-over should occur on or about August 1st unless the Commission directs otherwise, but that Commissioner Goosby's statement could be added to the resolution.

Commissioner Fleishell said that an amended motion to include the date is needed.

Mr. Garibaldi recommended that the statement "as soon as practicable after July 13, 1984" be added to the resolve.

Commissioner Fleishell said the vote would be the same.

The following item was adopted by a 3-2 vote with Commissioners Goosby and Bernstein casting the dissenting votes.

8. Policy Statement on Commercial Advertising

84-0002	Resolution approving the policy statement for commercial advertising in the Terminal Building Complex and Public Parking Garage.

Commissioner Goosby said that he realized that the possibility of First Amendment rights were involved but felt that in view of the fact that the Airport is loosing revenue on the luggage carts he would like to have an 18-month trial period for advertising in the tunnels. However, since the resolution does not specifically indicate that advertising would be limited to the tunnels he would vote no.

Commissioner Bernstein said he was going to vote for this item. He said that he does not know how the Airport could talk about loosing money on carts and turn down several hundred thousand dollars for advertising. He asked if it would just be in the tunnels.

Mr. Turpen responded that staff was asked to develop bid specs on advertising in the tunnels. Subsequent to that the Commission elected not to place any advertising in the tunnels and further instructed

staff to broaden the advertising ban and make it Airport-wide. Mr. Turpen said that this resolution would preclude advertising except as outlined in Airport terminal buildings and in the garage cores and tunnels.

Commissioner Coblentz said the increase in revenue must be weighed against the problems that will arise with the First Amendment. He said that the Commission cannot in any way try to show what is good taste, creative or limit the type of advertising. He said that as much as he would like to see the increase in revenue and even though he agrees that there is some very creative, tasteful advertising there is poor advertising as well, and will therefore vote against this.

Commissioner Fleishell said that he was originally ambivalent about the question of advertising, leaning a little on the side of gaining the additional revenue. He said that six months ago the Court of Appeals in Washington, D.C. overruled a decision made by the Washington National and Dullas Airports who have policies allowing advertising but stipulate that it could not be political in nature. A foreign government sued and insisted on the right to post their views at the airport. The lower court agreed with the airport but the Court of Appeals said that if you permit advertising at your airport you may not censor it; you may not dictate what statements can be made, and, that even a foreign country develops a First Amendment right to express views. He said he would go along with Commissioner Coblentz and does not want to get into that battle ground.

Commissioner Bernstein said what about the free speech booth at the Airport.

Commissioner Fleishell said they have to be permitted because it is a public building.

Commissioner Bernstein said the advertising can be tastefully done and we were throwing away hundreds of thousands of dollars.

The following item was put over.

9. $23, 250 Supplemental Appropriation for Special Events in July, 1984.

Supplemental Appropriation for cost which will be incurred in Fiscal Year 1983/84 in preparation for the Democratic National Convention, the All-Star Game, and the Olympics.

Mr. Turpen said that this was a continuation of Item 1. He said it is staff's intent to secure part-time help for meeters and greeters, etc. He said that since the Commission has instructed staff to take a look at the depth of commitment or service to be provided he suggested putting the item over. He said this item could be tied in with Item No. 1 and be brought back at the same time.

Commissioner Coblentz said that the printing of the Convention and Visitors Bureau brochure should be acted on now.

Mr. Turpen said he would like to bring it all back in a single package to avoid confusion.

Commissioner Fleishell suggested getting retired airline stewards and stewardesses who know about Airports, know how to handle people and have already been trained.

Mr. Turpen responded that that has been considered.

Mr. Turpen said that about a month and a half ago he met with the Convention and Visitors Bureau in San Francisco and San Mateo County to discuss convention activities. He said that one of the things they wanted to do was set up booths in the arrivals area. He said that they are considering putting together a Key-type of magazine, listing various events in the area. He said he would bring this back to the Commission as well.

The following items were unanimously adopted.

10. $8,242,807 Supplemental Appropriation for Capital Projects

No. 84-0003	Supplemental Appropriation to transfer the Fiscal Year 1982/83 interest income on captial projects funds to approved unfunded capital projects.

Mr. Turpen said that this was interest from the bond issue and the Lease and Use Agreement required that any interest be funneled into the capital projects account in order to defer any future bond issue or reduce the amount.

Commissioner Goosby asked if this money was taken into account when the capital projects were developed for this year.

Mr. Turpen responded that it was.

11. Airport Informational Brochure

No. 84-0004	Requesting approval of a resolution to authorize Airport staff to develop an informational brochure for San Francisco International Airport identical to Los Angeles'.

Mr. Turpen said that at the December 6 Commission meeting the Commission indicated that the Los Angeles brochure was satisfactory and it was the Commission's recommendation to simply take that brochure and substitute the appropriate San Francisco information and have it produced. He said that this can be done in time for this summer's activities.

Commissioner Fleishell said it would be embarrassing to simply copy Los Angeles' brochure and hoped that there will be some originality to ours.

Commissioner Kadish felt that the statement which reads that we will produce a brochure "idential to Los Angeles' with San Francisco information substituted" is an insult. She said that San Francisco has to have its own logo, its own color theme, its own identity. A model can be used as a take-off point but it shouldn't plagiarize or steal what some other airport paid a designer to design. Commissioner

Kadish held up two Atlanta airport brochures provided by staff and said that Atlanta has developed its own identity and used it on brochures.

Commissioner Kadish said the Commission approved developing our identity, our color theme and our logo prior to the opening of the International Terminal, spent $40,000, and, this is what we got (she held up a sample). She asked why this could not be used as our logo, identity and color theme. She said we could use the Los Angeles brochure as a model but that was all.

Mr. Turpen explained that although the memo to the Commission says "identical" the resolution says "similar" to the Los Angeles brochure.

Commissioner Bernstein remarked that Commissioner Fleishell recommended doing this because the Commission has been requesting a brochure and nothing has been accomplished. He felt that this was the simplest way to do it.

Commissioner Coblentz said that regardless of what the letter says the resolution says "a brochure similar to Los Angeles". He suggested waiting for the mock-up.

12. Amendment to Airports Commission Rules of Order

No. 84-0005 — Resolution amending Section 16 of Airports Commission Rules of Order, relating to the order of business at Commission meetings.

Mr. Turpen said that this item was discussed at the December 6 meeting and at that time the Commission indicated that they would be favorably disposed to this change. This item simply formalizes the change.

Commissioner Goosby asked what policy review meant.

Mr. Turpen responded that on February 7 the Commission will get a review of all meetings from October 1, 1983 through this meeting.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS

The following items were unanimously adopted.

13. Award of Contract No. 1449 -
Replacement of Cable 12TA-6
$25,000.00

No. 84-0006 — Resolution awarding Contract 1449 to Connex Electric, Inc., 922 S. Clarmont, San Mateo, CA 94402, in the amount of $25,555.00

This contract replaces an existing defective 12KV power distribution cable 12TA-6.

Six bids received on January 3, 1984, are as follows:

Contractor	Bid
Connex Electric, Inc.	$25,555.00
Twisselman Electric, Inc.	33,995.00
Kingston Contracting, Inc.	34,880.00
Coast Electric Co.	35,200.00
Delta Star Electric Co., Inc.	36,100.00
Arc Electric Co.	45,980.00

Construction time is 210 calendar days.

14. Statistical Adjustments for 1983-84 Joint Use Billings Under New Lease and Use Agreement

No. 84-0007 — Resolution adjusting 1983-84 Joint Use Billings pursuant to Section 101.w of the new Airline-Airport Lease and Use Agreement for Frontier Horizon Airline.

15. Approval of Fund Transfer to the San Francisco Fire Department

No. 84-0008 — The transfer of $29,777 from the Operating Fund to the San Francisco Fire Department for holiday pay resulting from the passage of Proposition J in November, 1983.

The following item was adopted by a 4-1 vote with Commissioner Kadish casting the dissenting vote.

16. 1985 Super Bowl Task Force

No. 84-0009 — Resolution for one Airport staff member to attend the 1984 Super Bowl in Tampa, Florida to discuss with airport officials and observe the preparations made for Super Bowl activities in order to prepare San Francisco International Airport for the 1985 Super Bowl to be held in Stanford, California.

Commissioner Kadish said this resolution would authorize sending an Airport representative to Tampa, Florida to learn how they are going to handle a Super Bowl crowd. She said that SFO is not the small airport that Tampa is and we are used to handling large crowds. She said SFO absorbed 600,000 more people last year than the year before and we did it without going somewhere else to investigate it. She said she did not see what Tampa had to offer that could not be handled over the telephone.

Commissioner Coblentz responded that if a member of the Board of Supervisors is going it would behoove the Airport to send a representative. He felt that rather than stub our toes we should spend the money.

Commissioner Fleishell said that since the Super Bowl is Sunday how can the Board of Supervisors approve this.

Mr. Turpen responded that this just goes to the Mayor for approval. If more than one Airport employee attended the Super Bowl then Board of Supervisors approval would also be required.

Commissioner Bernstein asked who would be going to Tampa.

Mr. Turpen responded that Mr. Ron Wilson was going; he is the Airport's liaison with the Super Bowl Committee in San Francisco.

Commissioner Kadish said she wanted a report from him on his trip.

The following item was unanimously adopted.

17. Travel/Training for Fiscal Year 1983-84

No. 84-0010 — Request for authorization of Travel/Training for Airports Commission representatives, January-June, 1984.

* * *

H. PUBLIC HEARING:

18. Public Hearing Concerning Proposed Airports Commission Budget

Public hearing concerning proposed budget and resolution approving the budget estimate of $126,791,261 submitted by the Director of Airports and directing Airports Commission staff to file the budget with the Controller's Office, in compliance with City budget instructions. Airports Commission approval will be requested at the February 7 meeting.

Commission Bernstein called on Mr. Paul Van Wert to speak.

Mr. Van Wert, United Airlines, said that last month the airlines had their first meeting with staff on the budget. At that meeting the airlines tried to offer a perspective on the budget from the point of view of those who negotiated the new Lease and Use Agreement. He handed the Commission copies of his letter to Mr. Turpen reflecting that perspective. He said that although there are some slight differences of opinion on some of these objectives he asked the Commission to endorse the objectives presented by staff and by the airlines not only for this year's budget but for ensuing budgets. He

said that at this point the major difference is the speed with which the objectives can be accomplished. The airlines think that staff can do a lot more a lot faster. The airlines encourage the Commission's endorsement and encourage the efforts of staff to get these objectives officially in the MBO's.

Commissioner Goosby said we are projecting $370,00 more income from the service station than was originally planned.

Mr. Turpen sait that was correct.

Commissioner Kadish asked when the Commission could ask questions or bring points to the attention of staff.

Mr. Turpen said a time could be set up or members of the Commission could call him, Angela Gittens or John Martin.

* * *

I. COMMUNICATIONS:

There was no discussion by the Commission.

* * *

J. TRAILING CALENDAR:

There was no discussion of Trailing Calendar Items.

* * *

L. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 4:00 PM to go into closed session.

Jean Caramatti
Commission Secretary

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MINUTES

February 7, 1984

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DR. Z.L. GOOSBY
J. EDWARD FLEISHELL

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

SAN FRANCISCO
AIRPORTS COMMISSION

Index
of the
Commission Meeting Minutes

February 7, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A		CALL TO ORDER		3
B		ROLL CALL		3
C		ANNOUNCEMENT BY SECRETARY		3
D		SPECIAL ITEM		3-4
	1	Commendation - Roy Samuels	84-0013	3
E		DIRECTOR'S REPORTS		4
	2	Metropolitan Transportation Commission - Rail Starts and Extension		4
	3	Prevailing Wages - Verbal Report		4
	4	Valet Parking		4
F		ITEMS INITIATED BY COMMISSIONERS		4
G		POLICY		5
	5	Airports Commission Budget for Fiscal Year 1984/85	84-0014	5
H		POLICY REVIEW		5-6
	6	Policy Review Items		5
I		ITEMS RELATING TO ADMINISTRATION, OPERATIONS, AND MAINTENANCE		7-10
	7	Status Report on Planning for Special Events in 1984-85		7
	8	$23,250 Supplemental Appropriation for Special Events in July, 1984	84-0016	8
	9	$62,500 Supplemental Appropriation to Purchase and Equip Five Airport Police Vehicles	84-0017	8

Calendar Section	Agenda Item	Title	Resolution Number	Page
	10	Modification No. 2 and Completion of Airport Contract No. 614 - Airfield Drainage Lines at Runways 19R & 19L and Pump Station	84-0018	8
	11	Approval of budget for Professional Services Contract, O'Brien-Kreitzberg & Associates, Inc. Contract Amendment No. 5 - $688,000	84-0019	9
	12	Award of Contract #1206 - South Terminal Aircraft Apron Paving, Phase I	84-0020	10
	13	Award of Contract 1410C-1 - Tunnels "A" & "C" Steel Panels, to Hogan Manufacturing Inc., Escalon, Ca in the total amount of $438,000 - Budget for this work is $505,000	84-0021	9
	14	Bid Call Contract No. 1481 - High Voltage Distribution - International and South Terminals	84-0022	10
	15	Contract with Parry Company - $10,000.00	84-0023	10
J		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS		10-11
	16	Modification of Agreement No. 17 and Final Payment - Contract Proposal 68251-A Shuttle Bus Service	84-0024	10-11
	17	Travel to AOCI Security Conference	84-0025	11
K		PUBLIC HEARING		11
	18	Increase in Rental Rates for Permitted Cargo Space		11
L		COMMUNICATIONS		11
M		TRAILING CALENDAR		11
O		ADJOURNMENT		11

Minutes

of the

Airports Commission

February 7, 1984

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 2:05 P.M in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Commissioners Morris Bernstein, William K. Coblentz, Z.L. Goosby, J. Edward Fleishell
Absent:	Ruth S. Kadish

* * *

C. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Section 54957.1, Gale Woo, Acting Commission Secretary, announced the unanimous adoption of resolutions 84-0011 and 84-0012 regarding the settlement of litigated claims at the closed session of January 18, 1984.

* * *

D. SPECIAL ITEM:

The following item was unanimously adopted.

1. Commendation - Roy S. Samuels

No. 84-0013

Mr. Lou Turpen, Airport Director, introduced Roy Samuels and his wife Marjorie, and said that Mr. Samuels had been a mainstay at the Airport for over 13 years. He said that before coming to the Airport he was with the Port of New York for 22 years. Mr. Turpen commended Mr. Samuels for his support of the Airports Commission and the Administration. He said Mr. Samuels worked diligently, honestly, and selflessly in behalf of the Airport. Mr. Turpen said that the Airport would miss him professionally but as a friend as well and wished him the best in his retirement.

Commissioner Coblentz said that he thought that was the unanimous feeling of the Commission. He said he has been on the Commission ever since Mr. Samuels was at the Airport. He said the Commission was deeply grateful for his efforts. He congratulated him on his retirement.

* * *

E. DIRECTOR'S REPORTS:

2. Metropolitan Transportation Commission - Rail Starts and Extension

A verbal Director's Report will be presented to the Commission on the status of the regional rail program being developed by the Metropolitan Transportation Commission (MTC).

Mr. Turpen told the Commission that the BART Board approval and extension to the Airport is a high priority project. The San Francisco Board of Supervisors Committee on Transportation voted 2-1 against such an extension and made that recommendation to the Board of Supervisors. Mr. Turpen said he will continue to keep the Commission advised.

The following item was put over.

3. Prevailing Wages - Verbal Report

Mr. Turpen said that the item was placed on calendar to give the Commission an update. He said that there has been no change from earlier correspondence sent by staff. Mr. Turpen said there is a special meeting of a Board of Supervisors committee currently in progress to consider this legislation.

4. Valet Parking

Report covering the 3-month period from October to December, 1983 on Valet Parking Service as requested by the Commission.

Mr. Turpen said that this was the quarterly report on Valet Parking. He explained that it continues to exceed the breakeven criteria for continued operation established by the Commission.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Goosby said that the Trailing Calendar listed the carpet and the survey on the Medical Clinic space and asked how it was coming and if a firm had been hired to do the survey or would it be done in-house.

Mr. Turpen responded that based on a conversation at an earlier Commission Meeting the survey has been structured and staff is preparing to do the survey within the next few weeks.

Mr. Turpen said that Jason Yuen is continuing to explore the concept of dyeing the carpet and certain trial areas are being selected.

Mr. Jason Yuen, Administrator, Bureau of Planning and Construction, said that his staff is working on a contract to let three different firms try it out.

* * *

G. POLICY:

The following item was unanimously adopted as amended.

5. Airports Commission Budget for Fiscal Year 1984/85

No. 84-0014 — Resolution approving the budget estimate of $126,964,744 submitted by the Director of Airports and directing Airports Commission staff to file the budget with the Controller's Office, in compliance with the City budget instructions.

Mr. Turpen said that the Commission has before it an amended resolution and would further like to amend the first resolve to read: "RESOLVED, That the budget estimate is hereby approved in the maximum amount of ....". Mr. Turpen said that staff is continuing to work with the airlines and has worked with the Commission to reduce the budget. He said that no increase in the budget is seen and in the coming weeks where staff can reduce and refine the budget for the benefit of the airlines it will be done. He said that he would therefore like the Commission to approve the budget in the "maximum amount of $126,954,744" recognizing that amount will be reduced as the budget is further refined.

Mr. Turpen explained that a letter will be sent to the Commission outlining all Commission-initiated reductions.

Commissioner Coblentz remembered that there were some questions on subscriptions.

* * *

H. POLICY REVIEW:

The following item was reviewed by the Commission.

6. Policy Review Items

Review of policies adopted by the Commission during the period of September 6, 1983 through January 18, 1984.

Mr. Turpen explained that the Policy Review section was the one discussed in amending the Commission's Rules of Order. The policies presently before the Commission were stated from September 6, 1983 through January 18, 1984. He said that if the Commission is in agreement with the thrust of the policies, there is no change required. If the Commission feels that a policy is misstated or should be re-stated those amendments will be made.

Mr. Turpen explained that he will come before the Commission with policies stated in the three or four months that preceded those presently being considered. He said that this was designed to get the policy manual off the ground.

Commissioner Fleishell commented on the Nov. 1, 1983 policy which stated that "It is the policy of the Airports Commission not to endorse the utilization of industrial development bonds intended for financing of capital projects.": He said it was his recollection that the Commission did exactly the opposite and sent it along to the Board of Supervisors who turned it down. He said that the only time the Airport declined to use industrial development bonds were on the Hilton project. It has been used on other airline financing and eight weeks ago the Commission approved one and was turned down by the Board.

Commissioner Goosby asked if the Commission had ever approved money for industrial development bonds.

Commissioner Fleishell said yes.

Mr. Turpen responded that one was approved and the second one became a question of policy.

Mr. Turpen said the policy would be refined and brought back before the Commission at the next meeting.

Commissioner Goosby said that three of the policies indicate that no resolution was adopted.

Mr. Turpen responded that in trying to put this together he took stated and implied policies which the Commission conveyed in a sense at a particular time. Then he tried to extract from that the Commission's unstated policy.

Commissioner Goosby said that perhaps instead of saying "no resolution was adopted" it should read "should a policy be formulated". He said that he did not feel that that should be our policy and that the Commission should tie itself down by adopting a policy that stated "no industrial development bonds would be used to finance capital projects". He said he did not feel that that was what the Commission would want.

Commissioner Goosby said that the item on the valet service is a policy of the Commission and a resolution is needed so that it can be implemented.

Commissioner Fleishell said that industrial development bonds was an important topic. He said that by law they have been expressly mandated to be used for ancillary Airport improvements, such as freight terminals and all the many uses to which other bonds have been put by SFAIC. He said that for the first time the Board of Supervisors turned down the Airport's most recent project. He said they are not meant to finance hotels. There is a legitimate function for use of those bonds, and that is to provide tax free income in the State of California as well as the Federal Government. He felt that before the Commission adopts a policy it should make certain that the ramifications are understood.

Commissioner Fleishell suggested that it might be helpful if staff met with the Board of Supervisors Finance Committee and reminded them of the Federal regulations and the legislative history that indicates that these bonds are intended to be used in that area.

Commissioner Goosby asked if the Board of Supervisors has turned any down in the last two or three years.

Mr. Don Garibaldi, Airports General Counsel, responded that the two most recent were for the Foreign Flag Carrier Corporation which the Commission approved and the Board turned down. Following that was the discussion with Hilton Hotel in connection with their expansion.

Mr. Turpen said that he would be happy to refine the policy.

Commissioner Goosby said that if the Commission has no objection a policy would be developed for a travel/training schedule for Airport representatives at the beginning of each fiscal year.

Mr. Turpen responded that the Commission did adopt a resolution which approved a travel/training schedule but did not adopt a resolution stating it is the Commission's policy to do so. He said that by that action the Commission stated a policy.

Commissioner Goosby said that this precedence of going back through the calendars for policies was good and felt that it will be successful.

* * *

I. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following item was a report and no resolution was adopted.

7. Status Report on Planning for Special Events in 1984-85

Informational report regarding planning activities by Airport staff in anticipation of the Democratic National Convention and several other special events occurring in 1984-85.

Mr. Turpen said that the key question from the previous meeting was on facilities improvements. He said that staff has given the Commission a choice of three levels for the North Terminal Conference Room. The lowest level is three and has no cost. He suggested that if levels one and two are not consistent with the Commission's thinking that he be allowed to proceed with level three which would amount to no more than $15,000 and allow staff to spruce up that area.

Commissioner Goosby asked what had to be spruced up.

Mr. Turpen responded that the North Terminal V.I.P. Room is an extremely sterile area and the aesthetics were not reviewed by the Design Review Committee. He said it has been acceptable for meetings but he recommended toning down the sterility of the area and making it more consistent with what is trying to be achieved in the remainder of the terminal.

Commissioner Coblentz said that most people will go through the Airport quickly to get into town. He felt that nothing should be done.

Mr. Turpen responded that the North Terminal V.I.P. Room makes an excellent interface for the Democratic Convention in terms of its location and the ability for people to meet.

Commissioner Fleishell asked who would meet there. He said that delegates will arrive on chartered aircraft and leave on buses.

Mr. Turpen responded that traditionally V.I.P.'s have been handled in a particular way. The north end of the North Terminal was designed for VIP movement. Staff, along with governmental authorities have been looking at utilizing that area of the terminal for V.I.P. transfer.

Mr. Turpen said that he would like to take the North Terminal V.I.P. Room, consisting of one large room and one small room, and install a movable partition, and soften the look of the room with plants and a new carpet and paint the room. He said we will have, as always, requests to meet incoming persons and many will request the opportunity to speak to the press. He explained that these requests have already been made. He would like to be equipped at a reasonable cost to put the Airport's best foot forward. It is estimated that a significant number of persons will require special handling from a security standpoint during the convention who may want and need access to the press in a less public environment. He said that what he hoped to do was utilize what is in place at a minimal cost and concentrating the resources instead of spreading them over the Airport. He felt that this was a more economical way to go in the long run and the initial idea of localizing the access through the terminals has received excellent response.

Mr. Turpen agreed with Commissioner Fleishell in that people will want to get into the City right away. But he felt that after the convention it will offer the opportunity for people to get together.

Commissioner Coblentz said that the points Mr. Turpen enumerated are aesthetic and he will vote against them. He said that if it were for security and it was mandated he would have no problem. He said he would only vote for level three.

Mr. Turpen assured the Commissioner that no money was needed for security; this was purely for aesthetics.

Commissioner Goosby also moved Item 9, the Supplemental Appropriation for the Vehicles and Item 8, the Supplemental Appropriation for Special Events in July, 1984 with no additional costs for in-house routine maintenance on the V.I.P. Room.

Commissioner Goosby asked if the surplus vehicles were returned to the City.

Mr. Turpen responded that once the replacements arrive the surplus vehicles are returned to the Purchaser in an equal number. He then disposes of them by whatever procedure he has.

The following items were unanimously adopted.

8. $23,250 Supplemental Appropriation for Special Events in July, 1984

No. 84-0016	Supplemental Appropriation for costs which will be incurred in Fiscal Year 1983-84, in preparation for the Democratic National Convention, the All-Star Game, and the Olympics.

9. $62,500 Supplemental Appropriation to Purchase and Equip Five Airport Police Vehicles

No. 84-0017	Resolution requesting $62,500 Supplemental Appropriation to purchase and equip five (5) Airport Police vehicles.

10. Modification No. 2 and Completion of Airport Contract No. 614 - Airfield Drainage Lines at Runways 19R and 19L and Pump Station

No. 84-0018	Resolution accepting the work performed under Airport Contract No. 614, Airfield Drainage Lines at Runways 19R & 19L and Pump Station, as satisfactorily complete; approving and requesting the Controller's certification of Credit Modification No. 2 in the amount of $50,776.77; extending the completion date from May 14, 1983 to July 6, 1983; approving the agreement for payment of monies not in dispute; authorizing the Director of Airports to execute said agreement for the Airports Commission and approving final payment in the amount of $43,744.43 in favor of the Contractor, Dalton Construction Company.

Items 11 and 13 were called together.

11. Approval of budget for Professional Services Contract, O'Brien-Kreitzberg & Associates, Inc. Contract Amendment No. 5 - $688,000

No. 84-0019

Resolution approving budget of $688,000 for 12-month period commencing March 15, 1984, for professional services contract between City and O'Brien-Kreitzberg & Associates, Inc. Consultant to continue to provide scheduling, cost control, inspection, and monitoring services, and to provide personnel and equipment resources in the management of the Airport's Terminal Construction Program.

Commissioner Bernstein asked what the contract was for.

Mr. Yuen responded that O'Brien-Kreitzberg did the scheduling and monitoring of the contractor's progress. He said that he based his monthly report on this. He said that they also check the contractor's invoice for work done and check against the cost loading which is agreed on at the beginning of the contract to avoid overpayment. They also furnish all inspectors on the field other than the ones from Public Works, and this is highest portion of their cost. He reminded the Commission that in his last report he mentioned that he was trying to keep the inspection to a minimum.

Commissioner Bernstein asked if the Airport had staff to do this.

Mr. Yuen replied that the Airport did not.

Commissioner Goosby asked what happened if the Commission did not approve item 11.

Mr. Yuen responded that if item 11 was approved today and HRC failed to approve it within 10 days, then the Airports Commission resolution would be invalid. He explained that approving the resolution today in anticipation of HRC approval would make a return to the Commission unnecessary.

13. Award of Contract 1410C-1 - Tunnels "A" & "C" Steel Panels, to Hogan Manufacturing Inc., Escalon, California, in the total amount of $438,000 - Budget for this work is $505,000

No. 84-0021

Seven bids were received on January 25, 1984. Total base bids ranged from $344,301 to $801,000. The apparent low bidder, Ashby Metal Products has requested withdrawal of their bid because of a computation error. Staff concurs and recommends award to Hogan Manufacturing Company, the second low bidder.

Mr. Turpen asked Mr. Jason Yuen to brief the Commission and said he would present a revised resolution for adoption.

Mr. Yuen said that the Human Rights Commission asked for an additional 10 days to certify and approve the contract. He said that the revised resolution approves the contract "subject to Human Rights Commission approval within 10 days."

Commissioner Fleishell said that the Commission has a policy which indicates that these items are not to be brought before the Commission without prior approval by the Human Rights Commission.

Mr. Yuen responded that he was not aware of such a policy and at the last meeting the Commission awarded a contract to Williams & Burrows in the same manner.

Commissioner Coblentz said Mr. Yuen was correct.

Commissioner Goosby remarked that a year or so ago the Commission discussed the issue of awarding contracts after HRC approval. He felt that the Commission should wait for the approval.

Mr. Yuen responded that if approval was not received within 10 days there would be no award.

12. Award of Contract #1206 - South Terminal Aircraft Apron Paving, Phase I

No. 84-0020 — Award of Contract #1206 - South Terminal Aircraft Apron Paving, Phase I to Kasler Corporation, San Bernadino, CA. in the total amount of $5,249,245.00. Construction budget for this work is $5,500.000.

14. Bid Call Contract No. 1481 - High Voltage Distribution - International and South Terminals

No. 84-0022 — Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids for Airport Contract No. 1481, High Voltage Distribution - International and South Terminals.

The purpose of the contract is to remove all five of the PCB high voltage transformers for the terminal complex and reconnect loads to alternate sources. Work includes replacing International Terminal transformers with low voltage transformers served from other load centers, replacing South Terminal transformers with one dry-type transformer, and reconnecting high voltage feeder to field lighting building from International Terminal to South Terminal.

15. Contract with the Parry Company - $10,000.00

No. 84-0023 — Contract with The Parry Company to provide noise impact contours for the twelve-month period preceding December 31, 1983, and June 1, 1984, to be used to calculate the dwelling unit count; $10,000.00.

* * *

J. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

16. Modification of Agreement No. 17 and Final Payment - Contract Proposal 68251-A Shuttle Bus Service

No. 84-0024 — Resolution approving Modification No. 17 to the Shuttle Bus Service Agreement to provide for price adjustment to compensate for increases in labor wage rates and decreases in fuel costs. Total Cost: $74,826.27.

Commissioner Goosby asked why the year wait.

Mr. Sheldon Fein, Landside Operations, responded that there were negotiations going on with the union which lasted six or seven months past the end of their contract with the drivers. When approval was finally reached the pay raise was retroactive.

Commissioner Goosby asked if the Shuttle Bus was up for bid with the Airporter.

Mr. Fein responded that the Shuttle Bus was bid beginning January 1st and is under a new contract. The buses have been ordered and delivery will be in a week or two.

17. Travel to AOCI Security Conference.

No. 84-0025 — Request for one staff member to attend the AOCI Security Conference in Reno, Nevada.

* * *

K. PUBLIC HEARING:

The following item was put over to the next meeting.

18. Increase in Rental Rates for Permitted Cargo Space.

Resolution adopting new rate schedule for cargo handling space rented to airlines under permits.

Commissioner Coblentz said he received a letter from American Airlines requesting a postponement of this item.

Mr. Turpen said that a request for postponement was also received from Mexicana. Staff concurs that the item be put over to February 21st.

* * *

L. COMMUNICATIONS:

There was no discussion by the Commission.

* * *

M. TRAILING CALENDAR:

Comments on the Trailing Calendar were made under Items Initiated by Commissioners.

* * *

O. ADJOURNMENT:

There being no further calendared business before the Commission the meeting was adjourned at 2:35 P.M.

Gale Woo
Acting Commission Secretary

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MINUTES

Tuesday, February 21, 1984

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Vice-President
RUTH S. KADISH
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

Index
of the
Minutes
Airports Commission

February 21, 1984 Meeting

Calendar Section	Agenda Item	Title	Resolution Number	Page
A		CALL TO ORDER		3
B		ROLL CALL		3
C		SPECIAL ITEM:		
	1	Commendation to Danial McHale	84-0026	3
D		DIRECTOR'S REPORTS:		
	2	Host International-International Terminal and South Terminal Facilities		4-5
	3	Concession Operational Audits		5
	4	Progress Report on I-380 Highway Construction Program		5-6
	5	Proposed Action Plan for the Development of an Airport Land Use Master Plan		6
E		POLICY:		
	6	Airport Vending Machine Policy	84-0027	7
	7	Long-Term Parking Analysis		7
F		POLICY REVIEW:		
	8	Review of Valet Parking, Travel Schedule and Industrial Revenue Bond Policies	84-0028 84-0029	7-8
G		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	9	$117,500 Supplemental Appropriation for the Purchase and Installation of Luggage Carts	84-0030	8
	10	Authorization to Bid: Principal Concession Lease and Agreement-North Terminal "Hub" and Approval of Assignment of Lease: North Terminal Jewelry Shop Lease		8-9

Calendar Section	Agenda Item	Title	Resolution Number	Page
	11	Resolution Exercising Options, Subject to Conditions, Rental Car Leases		10
	12	Five-Year Extension of Hotel/ Motel Advertising Service Agreement		10-11
	13	South Terminal Art Enrichment Program	84-0031	11
	14	Professional Services Agreements with Better Carpet Care; FSC, Inc., and Rainbow International Carpet Dyeing and Cleaning Company	84-0032	11-12
	15	Professional Services Contract with San Mateo County		12
	16	Contract No. 1310, F.I.S. Annunciator Panels, International Terminal: Approval of Preliminary Design, Budget and Authorization for Bid Call	84-0033	12
	17	Award of Contract No. 1371 Reconstruct and Overlay Runway IL-19R		12-13
	18	Award of Airport Contract No. 1525 Replacement of 12-Inch Water Main at Buter Ramp Area and at R-21 Roadway	84-0034	13
	19	Rental Credits for International Terminal Work	84-0035	13
H		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	20	Tenant Improvement: Northwest Orient Airlines Cargo Handling System Modification T-2833 $200,000-No Rental Credit	84-0036	13
	21	Retirement of Three Staff Members from the Airport Electric Shop	84-0037 84-0038 84-0039	14
I		PUBLIC HEARING:		
	22	Increase in Rental Rates for Permitted Cargo Space	84-0040	14-16
J		COMMUNICATIONS:		16
K		TRAILING CALENDAR:		16
M		ADJOURNMENT TO GO INTO CLOSED SESSION:		16

Minutes
of the
Airports Commission

February 21, 1984

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 2:00 P.M. in Room 282, City Hall, San Francisco, California

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B. ROLL CALL:

Present:	Commissioners Morris Bernstein, Z. L. Goosby, J. Edward Fleishell
Absent:	Commissioners William K. Coblentz, Ruth S. Kadish

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C. SPECIAL ITEM:

The following item was unanimously adopted.

1. Daniel McHale Resolution

No. 84-0026	Resolution of Commendation to Daniel V. McHale upon his leaving the San Francisco Airport Hilton Hotel.

Mr. Lou Turpen, Airport Director, said that Dan McHale, will be retiring after 8 years as manager of the Airport Hilton Hotel and 16 years with the Hilton Corporation. He said that Mr. McHale has been a friend of the Airport and asked the Commission to join him in wishing Mr. McHale well and expressing appreciation to him for all his efforts on behalf of the Airport.

* * *

D. DIRECTOR'S REPORTS:

2. Host International - International Terminal and South Terminal Facilities.

Report reviewing highlights of recent negotiations with Host International regarding proposed permanent closure of International Room restaurant, upgrade of Barbary Coast Saloon (International Terminal), and South Terminal facilities development following Modernization and Replacement Program remodeling.

Mr. Turpen said that after a number of meetings with staff and with Host he recommended abandoning the existing location for the International Room and opt instead for a major first class restaurant facility in the South Terminal in the vicinity of Boarding Area B, the TWA-Western concourse. Mr Turpen said that from the Airports perspective this was a better location in terms of economics and visibility. He said that Boarding Area B is the busiest concourse on the Airport. He told the Commission that Host has presented staff with a comprehensive plan for the South Terminal and would like the Commission's reaction to that plan either today or before the next meeting. Mr. Turpen said the key question before the Commission is the abandonment of the International Room and the acceptance of Host's South Terminal Plan. He explained that if the International Room is abandoned there are three facilities in the Central Terminal which would serve passengers: the Vista Lounge, out in the boarding area; the cafeteria facility; and, a limited sit-down service in the bar area across from the cafeteria as proposed by Host. He said that these facilities should meet passenger needs in the Central Terminal and Host's plans for the South Terminal should meet passenger needs there.

Commissioner Goosby asked what the anticipated costs were for the Airport.

Mr. Turpen responded that if Host went ahead with the International Room the additional cost would be $1.4 million, or, $700,000 each for the Airport and Host.

Commissioner Goosby asked for a cost comparison of the International Room as opposed to a new facility.

Mr. Jason Yuen, Administrator, Bureau of Planning and Construction, said that the maximum fee for revising the drawings for the South Terminal is $10,000 but the actual cost is expected to be about $2,000 - $3,000. Host will take care of all of the construction and all improvements with no cost to the Airport. This is a total savings to the Airport of $750,000.

Mr. Turpen asked about the cost of the space in the Central Terminal.

Mr. Yuen responded that that depends on what the space would be used for. The cost for office space might run about $80,000. If it is to be used for rental space it won't be as much because the tenant will take care of improvements. Mr. Yuen said there is about 10,000 - 12,000 square feet of space.

Commissioner Goosby said that this space offered staff the opportunity to be creative and that use of that area should not be limited to office space.

Commissioner Fleishell asked why it has taken so long for staff to come to this point when Host has been advocating abandoning the space for over a year. He also asked about the thousands of dollars spent in renovating the facilities in the Central Terminal that will now not be used.

Mr. Yuen, in addressing Commissioner Fleishell's second comment, responded that the contractor did some remodeling work because of structural damage. He explained that the contractor had to open up the walls to get to the structure but that no additional work was done.

Commissioner Fleishell again asked why it took a year.

Mr. Turpen responded that he could not answer that question.

Commissioner Goosby said it was unfortunate that the main restaurant could not be centrally located.

Mr. Turpen said staff will proceed as outlined and report back to the Commission with alternate uses of the current International Room area.

3. Concession Operational Audits

Report indicating the schedule of concession audits and establishment of a concession audit committee.

Mr. Turpen said this item is in response to a Commission concern regarding a review of concessions from a non-financial perspective. He said that a schedule has been outlined and sample questionnaires filled out by a concession audit person. He explained that this was not a financial audit but an operational audit consisting of cost of goods, operating hours, products sold, lease compliance.

4. Progress Report on I-380 Highway Construction program

Report summarizing the status of the Highway projects scheduled for construction in the Airport area, and related mitigation programs.

Mr. Turpen explained that this was an update on the I-380 construstion program. He said it was his understanding that construction on the Airport Interchange and the connections to 380 will begin in May or June and that the study on the San Francisco Garter Snake will run concurrently to the construction. He said staff will work with CALTRANS to provide a better access to the West of Bayshore and that CALTRANS has included a modified West of Bayshore access to their Five Year Plan. Mr. Turpen explained that CALTRANS has indicated that they will not fund this. He said that early estimates indicate it will cost $5-10 million to construct the access interface with Highway 101.

Commissioner Goosby asked if CALTRANS was committed to construct the access.

Mr. Turpen responded that CALTRANS will pay for those portions they committed to the Airport and has reserved the funds to pay for what they would have done.

Mr. Turpen said that there would be a southbound ingress and egress onto 101 and a northbound overpass onto the West of Bayshore and onto 101, offering a more direct connection.

5. Proposed Action Plan for the Development of an Airport Land Use Master Plan

Mr. Turpen said there are three items on today's calendar that are closely related. The first is the master plan for the Airport which includes the terminals and garage. The non-terminal area master plan, which has been filed with the FAA, is not up-to-date and does not recognize the demands of the future. He said that staff is capable of developing the alternatives to satisfy the demands but that those demands can be identified more expeditiously and inexpensively by an outside source rather than in-house.

Mr. Turpen said that along with the concept of the master plan are items concerning Airport parking, i.e., long term parking availability, and on-Airport rent-a-cars, both of which impact the master plan concept.

Mr. Turpen explained that the critical nature of the on-Airport parking is that in 5-6 years the Airport will have exceeded its ability to support long-term parking and for that reason he would like to be far enough ahead in planning and development to have those facilities available on demand.

Mr. Turpen asked for the Commission's views and reactions.

Commissioner Fleishell said that he felt staff was capable of deciding what to do with land not occupied by terminals, runways, and existing facilities and would not vote to hire a consultant.

Mr. Turpen said that the question is not what to do with the vacant land but what to do with all of the land. Should the Airport re-think the cargo operation, should the Airport be building facilities and leasing them out for cargo, should some facilities that are presently under permit be demolished. He felt that staff can handle this and asked for some input from the Commission.

Mr. Turpen said that if the Commission does not wish to go for a full fledged consultant he asked that the Commission consider approving an intermediate sum. He agreed with Commissioner Fleishell that staff can best make the decisions as to what types of buildings are needed and where they should go but felt that information such as how many square feet of cargo space will be needed in San Francisco in 1990 could more easily be obtained from an outside source.

Mr. Turpen recommended bringing the three items (master plan, long-term parking and on-Airport rent-a-cars) back as one package after staff has had an opportunity to review these issues.

Commissioner Goosby said that if the Commission decides to go with a consultant for the entire package he would like to see the suggested list of consultants.

* * *

E. POLICY:

The following item was unanimously adopted.

6. Airport Vending Machine Policy

No. 84-0027 — Resolution adopting a comprehensive San Francisco International Airport Vending Machine Policy.

Mr. Alan Friedman, attorney for the San Francisco Newspaper Agency, said Mr. Turpen has been very cooperative and believes the policy should be adopted.

The following item was put over.

7. Long Term Parking Analysis

Resolution authorizing staff to begin development of an Airport Long Term Parking Expansion Program, including the development of specifications for an RFP, and the initiation of the interviewing and selection process for a consultant firm required for the feasibility and environmental analysis necessary for the program.

Mr. Turpen said that based on the previous discussion no action will be taken on this item. He explained that based on a long-term analysis there will be a shortage of long-term parking spaces in the future. He said that recognizing that it takes 3-4 years to get through the process the Airport is on the edge of a decision in terms of an EIR. He recommended putting this with the master planning item with the recognition that an EIR will be needed. Mr. Turpen added that a consultant will be needed for the development of an EIR.

* * *

F. POLICY REVIEW:

The policies on Valet Parking and Travel Schedule were unanimously adopted. The policy on Industrial Revenue Bonds was put over.

8. Review of Valet Parking, Travel Schedule and Industrial Revenue Bond Policies

No. 84-0028
No. 84-0029

Mr. Turpen said these items were a follow-up to the Policy Review section on the last calendar and reflect comments made by the Commission.

Commissioner Fleishell said that it is the position of the Commission that Industrial Revenue Bonds are basically used for airline tenants. He questioned the wording of the resolution arguing that the financing of the Hilton Hotel annex could "contribute to the safe and efficient operation of the Airport."

Mr. Turpen responded that it is the Commission's prerogative to make the determination of safety and efficiency and that safeguard is listed in the resolution. He said he would be happy to take another look at the resolution.

Mr. Turpen asked if the term "aeronautical support" was more in line with the Commission's thinking.

Commissioner Fleishell responded that that has been the tradition.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following item was unanimously adopted as amended.

9. $117,500 Supplemental Appropriation for the Purchase and Installation of Luggage Carts

84-0030 — Resolution authorizing a request for a $117,500 Supplemental Appropriation to purchase and install luggage carts in the customs area.

Mr. Turpen told the Commission that since this item was put together he has had the opportunity to meet with the Fire Marshall to review some of his requirements and he believes that the amount of money reflected in this item is high. He would like to take another look at the estimate for installing the barrier, revise it and return to the Commission in two weeks.

Commissioner Goosby suggested adding the phrase "not to exceed $117,500" rather than putting the item over.

Commissioner Fleishell agreed with Commissioner Goosby's suggestion.

The resolution was so amended.

The following items were put over

10. Authorization to Bid: Principal Concession Lease and Agreement - North Terminal "Hub" and Approval of Assignment of Lease: North Terminal Jewelry Shop Lease.

Resolution approving leasehold specifications authorizing Director to bid North Terminal "Hub" Principal Concession Lease and Agreement, and approving of assignment of Jewelry Shop Lease into that bid.

Mr. Art Spring, Host, said it was his understanding that the existing jewelry shop concessionaire is being granted a release from his existing contract and asked if he would then be precluded from bidding.

Mr. Jim Woods,Deputy City Attorney, responded that he would have to research the issue.

Commissioner Fleishell said that there are existing provisions of the Administrative Code that permit any department in the City, with the concurrence of the Controller, to eliminate from the bidding process anyone who has been in default of a prior contract. He felt that since the Commission is relieving the concessionaire of his obligations he should not be allowed to bid on another concession involving similar activities. Commissioner Fleishell asked Mr. Woods to check on where the Airport stands on enforcement of this provision.

Commissioner Fleishell asked that the statement "that and any other person, firm, corporation or allied company with the same shareholders be deleted from the resolution.

Mr. Turpen recommended putting the item over.

Commissioner Goosby asked how American Dry Goods differed from a Western Shop. He said that certain items were eliminated because they would impact concessions in the main concourse, yet the newsstand and bookstore were not being eliminated.

Ms. Gittens responded that the newsstand and bookstore operations in that area are doing well and there is room for additional service.

Commissioner Goosby said that the jewelry shop is not doing well yet another shop is being installed.

Ms. Gittens responded that the jewelry shop on the concourse is being kept but the other is being substituted. The same concessionaire would have both.

Commissioner Bernstein asked if any disscussions had been held on compensation for cancellation of the lease.

Ms. Gittens responded that discussions had been held regarding requiring $20,000 from Dobbs.

Commissioner Goosby asked what the American Dry Goods shop would sell.

Ms. Gittens responded that is could include a lot of things; they could come in with a Western theme.

Commissioner Goosby said that about 1500 square feet would be left unused and asked if that space could be utilized for whatever the concessionaire wanted.

Ms. Gittens responded that a minimum amount was required for public retail space but how the space should be used has not been specified; it cannot all be used for storage.

Mr. Turpen said that 70 percent must be public retail space and 30 percent can be used for storage.

Commissioner Fleishell, commenting on Item E, "Specialty Boutique Shop" said that "Boutique" is defined as "small shop". He said that it can sell newspapers, jewelry or clothing. He said that limiting it to 250 square feet makes it a small shop by definition. He said that the type of shop should be defined as well as what it sells.

Ms. Gittens said this is typically done in the pre-bid conference.

Commissioner Goosby said that staff should return to the Commission with input from prospective bidders at the pre-bid conference.

Mr. Turpen said this item will be brought back at the next meeting.

11. Resolution Exercising Options, Subject to Conditions, Rental Car Leases

Resolution granting five (5) one-year options subject to conditions precedent to each of the five On-Airport rental car companies.

Mr. Turpen recommended putting this item over as part of the master plan theme. He recommended going with one-year extensions rather than five-year extensions in order to maintain flexibility. Staff feels that in five years the existing location of the rental cars will not support the volume. Staff also recognizes that in the short term no dramatic changes will be made to that operation. Staff is looking at an alternative to move them out of the present location. Recognizing that this cannot be done overnight, staff would like to keep the Airport's options open wth a year-to-year extension. Staff is presently in negotiation with the rent-a-car companies and will return to the Commission within a month.

12 Five-Year Extension of Hotel/Motel Advertising Service Agreement

Resolution approving five-year extension of Hotel/Motel Advertising Service Agreement to Ackerley Airport Advertising, Inc. pursuant to revised rental and capital improvement programs.

Commissioner Bernstein asked Mr. Ken Gordon, West Coast Sales Manager, Ackerley Airport Advertising, Inc., to speak.

Mr. Gordon said that under their current agreement with the Airport (Paragraph B, Expiration of Term Option) the Commission has the sole option to extend Ackerley's services for an additional period of five years beginning March 1, 1984.

Mr. Gordon said that Ackerley purchased the concession rights from Hart and Johnson Advertising in 1980. Since that time Ackerley has improved the services and aesthetic appearance of the courtesy phone centers in the baggage area which included revamping the ground transportation system with these units. He explained that at least $150,000 has been expended toward this end. Mr. Gordon said that since taking over the concession revenue sharing has been raised 238 percent.

Mr. Gordon said that Ackerley does not feel that they have given the Airport any cause to open this up to bid and Ackerley feels it deserves an automatic extension based on their past record.

Mr. Turpen said that Mr. Gordon was correct when he said that the Commission had the option to extend the agreement. He said he was contacted by another firm and was asked that they be given the opportunity to explain the merits of opening up this concesssion to

bid. The Commission can honor the request and listen to what the individual has to say and then make a determination to extend the agreement or, they can deny the request to put the itme over and extend the agreement today. Mr. Turpen said he has not had the opportunity to review the letter that was received this morning so he is not able to discuss the merits at this time. He did not think it would be harmful to put the item over and ask the Commission for a reaction.

Commissioner Fleishell said staff has done a great job in bringing the contract up to higher standards. He said that the whole object of giving a contract for five years with a five year option solely at the discretion of the Commission is to allow the Commission some leeway in making certain that the Airport receives good performance by the contracting party. He said that when a company spends five years abiding by a contract and building good will you don't tu.. around and give the contract to someone else offering $5.00 more. He said that Ackerley has done a good job and the Commission is under a moral obligation. He said he is prepared to follow staff's recommendation.

Commissioner Goosby agreed with Commissioner Fleishell, however he has no objection to listening to the other party's comments. He said that if they had any figures to present they should first go to staff and then they could be presented to the Commission.

Commissioner Bernstein said he received a request for postponement and he promised he would try to get the item put over. He said he respected Commissioner Fleishell's argument.

Mr. Turpen suggested putting the item over for no more than two weeks and that any information pertinent to this subject be submitted to his office no later than Friday.

The following items were unanimously adopted.

13. South Terminal Art Enrichment Program

84-0031	Resolution approving budget of $570,000 for the South Terminal Art Enrichment Program and authorizing the transfer of $28,500 to the Art Commission for administrative expenses in accordance with the City's Administrative Code.

Mr. Jason Yuen told the Commission that this was simply a transfer of administrative money for the Art Commission so they can start work on the program.

14. Professional Services Agreements with Better Carpet Care; FSC, Inc., and Rainbow International Carpet Dyeing and Cleaning Company

84-0032	Resolution authorizing Director of Airports to execute professional services agreements with three carpet dyeing companies to dye a small area of the International Terminal carpet as a test. The total area to be dyed shall not exceed 3,000 sq. ft. Cost for cleaning and dyeing the carpet shall not exceed 80¢ per sq. ft. Total cost for all three contracts shall not exceed $2,400.

Companies selected are:
Better Carpet Care of Concord, CA
FSC, Inc. of Modesto, CA
Rainbow International Carpet Dyeing and Cleaning Co. of Waco, TX.

The following item was put over.

15. Professional Services Contract with San Mateo County

This agenda item concerns a professional services agreement between the City and County of San Francisco and San Mateo County wherein the County will be an independent contractor of the City to advise the Commission regarding possible actions to be taken to reduce the impact of aircraft generated noise on the San Mateo County environs.

Mr. Turpen recommended putting this item over for at least a month. He reminded the Commission that last year the Airport purchased $10,000 worth of services from San Mateo County for the Roundtable. He said that after this calendar item was prepared it was brought to his attention that there was an expectation that this year's contract would be $14,000. Mr. Turpen said that he objected to the scope of the contract and that it is presently under review. He said he would come back to the Commission at a later date with a modified program.

Commissioner Fleishell asked if this was the same performance language that was in the contract last year. He said he recalled voting to provide funds for the Roundtable. He said that he questioned some of the items in the contract specifically mentioning the clause that calls for San Mateo County to act in an advisory capacity to the Commission.

Mr. Jim Woods said he would call Commissioner Fleishell and go over the contract with him.

The following item was unanimously adopted.

16. Contract No. 1310, F.I.S. Annunciator Panels, International Terminal: Approval of Preliminary Design, Budget and Authorization for Bid Call

84-0033

Resolution approving (1) the preliminary design for the installation of F.I.S. Annunciator Panels, (2) construction budget of $30,000, and (3) a 7-1/2% contingency budget of $2,250.

Resolution also authorizes the Director to call for bids when ready.

The Following item was put over to the March 6 meeting.

17. Award of Contract No. 1371
Reconstruct and Overlay Runway 1L - 19R

Award of Contract 1371, Reconstruct and Overlay Runway 1L-19R, to Ghilotti Brothers, Inc., San Rafael, CA in the total amount of $2,533,492.50.

Mr. Jason Yuen asked the Commission to put the item over for two weeks as the Human Rights Commission needs more time. He said there was no rush on this item.

The following items were unanimously adopted.

18. Award of Airport Contract No. 1525
Replacement of 12-Inch Water Main at Butler Ramp Area and at R-21 Roadway

84-0034 — Resolution awarding Contract No. 1524 to Ranger Pipelines, Inc., 2748 Junipero Serra Blvd., Daly City, Ca 94015, in the amount of $355,470.00. Twelve (12) bids were received on January 25, 1984.

Construction time is 100 calendar days.

Commissioner Fleishell asked if the Airport would suffer any liability from Butler if the Airport interfered with their operation by tearing up a main which is at the taxiway.

Mr. Dennis Bouey, Deputy Director of Facilities, Operations and Maintenance, responded that he could not answer the question in terms of liability, however all the work would be coordinated with Butler and other airlines that will be affected.

Commissioner Fleishell said the airlines won't sue the Airport because they have a contractual relationship but Butler does not. He cautioned Mr. Bouey on this.

19. Rental Credits for International Terminal Work.

84-0035 — Resolution approving rent credits for several airlines for Airport work performed by the airlines in order to meet International Terminal opening deadlines.

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H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

20. Tenant Improvement:
Northwest Orient Airlines Cargo Handling System
Modification T-2833 - $200,000 - No Rental Credit

84-0036 — Resolution approving the plans and specifications for the modification of cargo handling system.

21. Retirement of Three Staff Members from the Airport Electric Shop.

84-0037 84-0038 84-0039	Resolution expressing Best Wishes for the fullest measures of health and happiness in a long and fruitful retirement for Louis Comollo, Delfin Kopico, and Henry Kutlik, of the Airport Electric Shop.

* * *

I. PUBLIC HEARING:

The following item was unanimously adopted.

22. Increase in Rental Rates for Permitted Cargo Space

84-0040	Resolution adopting new rate schedule for cargo handling space rented to airlines under permits.

Mr. Turpen told the Commission that the increase in rental rates is for those cargo areas currently under permits and not under lease. Staff feels that the increase is consistent with the value of the property and that the increase is predicated upon access not only for aircraft but for automobile parking.

Mr. Brendan Carmody, American Airlines, said that the Commission should have received Mr. Dick Jamison's night letter and corrected a mis-statement in that letter indicating that the Airport did not have any money invested in the construction of the building. He said the Airport had a budget of $850,000 and American had to supply anything over that amount. American supplied in excess of $244,000 for construction of the building. He said that American also constructed the two-story office portion and did all the interior finishes. He explained that that is a 158 percent increase in rates, fees and charges over 16 years, or, 10 percent a year.

Mr. Carmody felt this increase was arbitrary. He said they were advised that a staff study was done that looked into a rate-making formula based on cost rather than on market appraisals. He said that that is the essence of the Lease and Use Agreement settlement. He asked what happened to the Airport's study.

Mr. Carmody also said that this purports to consider and address certain inequities among the carriers. He mentioned some other inequities that should be addressed. He said that American was forced to spend $120,000 to refine and enlarge certain taxiways to make the cargo building area accessible by 747's. They felt this work should have been done by the Airport. American supplied the money, engineering, and supervised the work. Japan Air Lines agreed to participate in the cost as they benefited from this. Pan American, the biggest beneficiary, was offered the same opportunity but has not contributed any money.

Mr. Carmody said that American Airlines has been meeting its responsibility of making the payments on space that is in excess of their requirements. He told the Commission that this year American will have to make $1,000,000 worth of extraordinary repairs. He said they have a 40 year lease on the superbay out of which they cannot get. Every 10 years American gets a rent increase based on market appraisals. He said that they have only a 30-day permit in the cargo building and the Airport could get out of it on 30-days notice. He said that the cargo building is not the white elephant that the superbay is and felt that this inequity should be addressed.

Ms. Angela Gittens, Deputy Director of Business and Finance, responded to some of the issues raised by Mr. Carmody. Referring to Mr. Carmody's comments on the staff study on cost she said that that study was done by members of the Airline Affairs Committee, which included Mr. Jamison. They were convened as a task force to look into alternatives to the market value appraisal for cargo space. Ms. Gittens said that the task force was covered for over a year but nothing ever came of it. Mr. Wally Wortman, Director of Real Estate, had agreed to entertain any alternatives arrived at by the task force but never received any.

Regarding the taxiway issue, Ms. Gittens said that it was her understanding that the Airport was going to put in a taxiway as part of the North Terminal project but American and Japan Air Lines would have to wait an additional four years. They chose not to wait and went ahead on their own.

Mr. Turpen asked if American had a lease on the building and, if so, did they have an option to extend.

Ms. Gittens responded that American did have a lease with an option to extend but were about nine months late in exercising the option. She said at that point they were put on a permit. She said American's lease was up on December 30, 1972 but did not send a written request to exercise the option until September 19, 1973. She said that there were three, one-year options available.

Commissioner Fleishell asked Mr. Carmody to explain what he meant when he said that rental returns should be based upon cost.

Mr. Carmody responded that a couple of weeks ago the Commission adopted a resolution allowing the airlines to charge a sub-tenant only 15 percent more than their demonstrated actual out-of-pocket cost. He suggested that something like that apply to the Commission as well.

Commissioner Fleishell asked how the other airlines felt about this proposed change.

Ms. Gittens responded that they all object to an increase but most understand that it is overdue. She said she has not received any objection to the basic structure of what is being done. One of the tenants objected to the classification of the building but this issue does not affect the resolution and can be taken up at a later date.

Commissioner Goosby asked what the airlines were paying per square foot.

Ms. Gittens replied that most were paying between $3.00 and $3.35.

Commissioner Goosby asked if American was in a unique position.

Mr. Turpen responded that it was his understanding that they did put in some money and they expected to amortize that investment over the life of their lease plus the extension. He said that even if the extension was granted it would have expired in 1974 or 1975 which means that the building would have belonged to the Airport anyway. Mr. Turpen said that since 1979 or 1980 the Airport has followed a philosophy of not getting into long-term, exclusive rentals in the non-terminal areas in order to maintain flexibility for the future. Mr. Turpen said he understands American's concern but recognized that the rates need to be increased and felt that the proposal was fair.

Commissioner Fleishell asked if there had been any discussion to give American a rental credit for doing work on the taxiway.

Mr. Turpen responded that the decision was made by American, Japan Air Lines and Pan Am to construct a taxiway.

Mr. Carmody said it was done to introduce 747 freight service to San Francisco.

Mr. Turpen said he did not know why a rental credit was not applied for unless there was a prior agreement that the work was to be done at their sole expense. He felt that this work was done with the recognition of San Francisco's cargo potential.

* * *

J. COMMUNICATIONS:

There was no discussion by the Commission.

* * *

K. TRAILING CALENDAR:

There was no discussion of items on the Trailing Calendar.

* * *

M. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 3:09 p.m. to go into closed session.

Jean Caramatti

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION

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MINUTES

Tuesday, March 6, 1984

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Vice-President
RUTH S. KADISH
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

Index
of the
Minutes
Airports Commission

March 6, 1984 Meeting

Calendar Section	Agenda Item	Title	Resolution Number	Page
A		CALL TO ORDER		3
B		ROLL CALL		3
C		ANNOUNCEMENT BY SECRETARY		3
D		DIRECTOR'S REPORTS:		
	1	Shoeshine Service in Terminal Building Complex		3-4
E		ITEMS INITIATED BY COMMISSIONERS		4
F		POLICY REVIEW:		
	2	Review of Economic Development Bond Policy	84-0043	5
	3	Review of Policies Adopted by the Commission at the meetings of February 7, and February 21, 1984, and during the period of May 4, 1983, through August 24, 1983		5
G		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	4	Authorization to Bid: Principal Concession Lease and Agreement-North Terminal "Hub" and Approval of Assignment: North Terminal Jewelry Shop Lease	84-0044	6-7
	5	Extension of Hotel/Motel Board Contract	84-0045	7
	6	Five-Year Extension of Hotel/Motel Advertising Service Agreement		7-11
	7	Professional Audit Services Contract-Morris, Davis & Company - $30,000	84-0046	11
	8	Supplemental Appropriation Authorizing Transfer of $1,895,000 in Over-Appropriated Art Enrichment Funds	84-0047	11

Calendar Section	Agenda Item	Title	Resolution Number	Page
	9	Resolution Approving Contract Modification No. 1 to Contract 1209-6th Flr. Remodeling International Terminal-$27,200	84-0048	11
	10	Award of Contract 1414A,B-Boarding Area B Renovation, Boarding Area B South Concession Area, to Trans Bay/Lathrop Joint Venture, Emeryville, CA in the total amount of $11,854,500		11-12
	11	Award of Contract 1371; Reconstruct and Overlay Runway 1L-19R to McGuire and Hester, Oakland, CA in the total amount of $2,599,059.00		12
H		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	12	Approval of Sublease between Republic Airlines and DHL Airways, Inc.		12
	13	Resolution Approving Assignment of Contracts and Requesting City Controller to Transfer Funds from Contract 1206 and 1410C-1 to Contract 1410ABCD		12
	14	Bid Call Contract No. 1582-Replacement of Cable 12BANB-1 (Sta. BA to M.H. PD-N009)		13
	15	Settlement of Litigated Claims Not Exceeding $2,500.00		13
	16	Official Travel-Captain Gary Dale, SFFD-National Fire Protection Association Annual Conference		13
I		TRAILING CALENDAR:		13
J		CLOSED SESSION		13
K		ADJOURNMENT		13

Minutes
of the
Airports Commission

March 6, 1984

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 2:00 P.M. in Room 282, City Hall, San Francisco, CA.

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B. ROLL CALL:

Present: Commissioners Morris Bernstein, William K. Coblentz, Ruth S. Kadish, Z. L. Goosby, J. Edward Fleishell.

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C. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Section 54957.1, Jean Caramatti, Commission Secretary, announced unanimous adoption of Resolutions 84-0041 and 84-0042 regarding settlements of litigated claims at the closed session of February 21, 1984.

* * *

D. DIRECTORS REPORTS:

1. Shoeshine Service in Terminal Building Complex

Report proposing the conceptual approval of the proposed lease specifications for the North Terminal Shoeshine Lease, and of the proposed permit specifications for the International and South Terminal Shoeshine operation.

Mr. Turpen said that the issue before the Commission is staffs proposal that the North Terminal concession be bid now but place the Central and South Terminal concessions on a permit until such time as Boarding Area A has been renovated. The South Terminal could then be bid on a longer term basis. He said it was not staff's intention to arbitrarily award the Central and South Terminal permits. He said it is Business and Finances' suggestion that a mini-bidding process be held without going through a lot of the administrative approvals required. Mr. Turpen recommended putting these concessions on 30-day permits due to the present uncertainty and development of the South Terminal program.

Commissioner Goosby asked why the South Terminal could not be on a month-to-month permit and put out to bid when the renovation has been completed.

Angela Gittens, Deputy Director for Business and Finance, responded that staff was concerned that the Airport would not receive very good bids for the Central Terminal if it were bid alone.

Commissioner Goosby said this unnecessarily complicates the situation.

Ms. Gittens remarked that the Central and South Terminals are currently under one agreement.

Mr. Turpen said that while it is a staff suggestion to keep the South and Central Terminal together on a permit, the Central Terminal could go out to bid if the Commission so desired.

Commissioner Bernstein asked if the Central and South Terminals could be bid separately.

Mr. Turpen responded that they could. He said that the question is whether or not the Central Terminal could be successfully bid by itself.

Commissioner Bernstein asked how many stands there would be throughout the terminals.

Mr. Turpen responded that there would be five in all: two in the North Terminal, one in the Central Terminal and two in the South Terminal. He said that the Central and North Terminals would be bid and the South will remain on permit.

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E ITEMS INITIATED BY COMMISSIONERS:

Commissioner Kadish said she was in possession of a letter from the Clerk of the Board of Supervisors about the smoking policy at the Airport. She said that she was not sure whether Supervisor Nelder was aware of the fact that there have been smoking and non-smoking areas in the Airport for the last six years. Commissioner Kadish suggested that Supervisor Nelder's question may be directed to the office structure.

Mr. Turpen responded that Supervisor Nelder's question refers to offices. He explained that the language from the Board of Supervisor's ordinance will be incorporated into the Airport's Rules and Regulations to be presented to the Commission no later than the first meeting in April for review and adoption.

Commissioner Kadish commented that the action should be spelled out.

* * *

F. POLICY REVIEW:

The following item was unanimously adopted as amended:

2. Review of Economic Development Bond Policy

No. 84-0043

Mr. Turpen recommended that the word "tenants" be deleted from the resolution.

Commissioner Fleishell asked why the word "tenant" should be removed.

Mr. Turpen responded that he was trying to broaden the Commission's option by not limiting it to tenants.

3. Review of Policies Adopted by the Commission at the meetings of February 7, and February 21, 1984, and during the period of May 4, 1983, through August 24, 1983.

Mr. Turpen said that the items before the Commission have been pulled from previous agendas and are being presented to the Commission in an attempt to update the Airport Commission's policy manual.

Mr. Turpen recommended that the policy on operational and financial audits be amended to read "every two years" rather than "annually."

Regarding the policy on consultants, Mr. Turpen recommended adding the wording "or sufficient in-house resources" be added.

Mr. Turpen also recommended substituting the word "considered" for "awarded" on the contract policy. He felt that the word "considered" precluded staff from bringing an item before the Commission for discussion.

Commissioner Kadish felt that the wording "until all documentation is complete" was not clear.

Mr. Turpen responded that the resolution will be rewritten.

Commissioner Kadish asked how these items would be put into a policy manual.

Mr. Turpen responded that they will be put under the seven MBO headings. As for the physical method of being bound, that has not yet been determined.

Commissioner Kadish said the format should already be established. The items should be placed in a loose-leaf binder as they are approved and each addition should be sent to the Commission.

Mr. Turpen said a format will be put together.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following items were unanimously adopted:

4. Authorization to Bid: Principal Concession Lease and Agreement - North Terminal "Hub" and Approval of Assignment: North Terminal Jewelry Shop Lease

No. 84-0044 — Resolution approving leasehold specification authorizing Director to bid North Terminal "Hub" Principal Concession Lease and Agreement, and approving of assignment of Jewelry Shop Lease into that bid.

Ms. Gittens told the Commission that the Airport received an agreement from Dobbs indicating they would not bid on this item as well as an agreement to pay the Airport $20,000.

Commissioner Bernstein asked Ms. Gittens if she was satisfied with the performance of the minority business programs. He said that minority businesses have 25 percent of the space and only do 8 or 10 percent of the business.

Ms. Gittens commented that the Airport has been able to get small minority/women businesses without the Airport or the business suffering financial risk.

Commissioner Bernstein said that this was an opportunity for small businesses and minority businesses to learn the retail business. If not run properly the business suffers, the Airport suffers and the passengers suffer. He asked if Property Management was satisfied with the performance.

Ms. Gittens responded that they were not completely satisfied.

Commissioner Goosby suggested meeting with Duty Free to discuss what can be done to upgrade the percentage of business done by minority/women-owned businesses at the Airport.

Commissioner Bernstein said you cannot sacrifice 25 percent of the space and only do 9 percent of the business. He suggested that they might have inferior space or are not merchandizing correctly. Commissioner Bernstein said that their merchandize should be examined to make sure that it is not inferior.

Commissioner Goosby recommended that the Commission instruct staff to hold discussions with Duty Free.

Mr. Turpen said Commissioner Bernstein raised an excellent point. He said that staff would be happy to meet with Duty Free and the concessionaires to at least ascertain whether it is a question of maturity of the business or a problem with the way it is structured and report back to the Commission.

Commissioner Goosby suggested taking a look at Pier 39.

Commissioner Kadish said that a good many of the concessions that are proposed in this item are part of those minority business enterprises in the Central Terminal that are in the low-yield program. She suggested finding out what the Art Poster Shop and American Dry Goods are yielding in the Central Terminal in order to avoid duplicating the situation there.

Mr. Turpen said he would like the Commission's approval to proceed with this item and at the same time take a look at the operation in the Central Terminal for flaws. Staff will return to the Commission prior to making any commitments with respect to the North Terminal.

Commissioner Bernstein was surprised that rental will be 20 percent when 6 percent was a lot for the downtown area.

Items 5 and 6 were called together. Item 5 was unanimously adopted and Item 6 was put over.

5. Extension of Hotel/Motel Board Contract

No. 84-0045 — Resolution authorizing ratification of one-month extension of hotel/motel board contract.

6. Five-Year Extension of Hotel/Motel Advertising Service Agreement

Resolution approving five-year extension of Hotel/Motel Advertising Service Agreement to Ackerley Airport Advertising, Inc. pursuant to revised rental and capital improvement programs.

Mr. Turpen said that the Commission has the unilateral right to extend Ackerley's contract. He said that staff was approached by another firm, Baciagalupi and Associates, and requested an opportunity to present their position in this matter. Ms. Gittens was responsible for evaluating the situation and making a recommendation to the Commission.

Ms. Gittens said staff reviewed the proposal by Baciagalupi and Associates which basically indicated that over a 5-year period the Airport would receive $1.850-million as opposed to the minimum guarantee of the Ackerley extension of $1.391-million. Ms. Gittens said that the proposal did not include a conceptual design or describe the service it would provide.

Ms. Gittens said that based on the last 18 months it is anticipated that Ackerley would generate $1.7-million to the Airport as opposed to Baciagalupi's proposal of $1.850-million. She recommended extending Ackerley's agreement based on their past performance and the absence of a concrete proposal from Baciagalupi.

Commissioner Bernstein said the amount of $1.7-million was only conjecture and the $1.85-million was not.

Ms. Gittens said that the Baciagalupi figure was also conjectural. Although the letter indicated that they would guarantee that amount the letter is not binding.

Commissioner Kadish said that five years ago when presentations were made to the Commission there were concerns about the service to the passengers and the Airport. Commissioner Kadish said that at that time Hart and Johnson promised the Commission that in addition to the standard hotel/motel board they would provide public service advertising, namely, low-cost, non-profit organizations, hotels such as the YMCA and YWCA and youth hostels and none of that was forthcoming.

Commissioner Kadish said that at the time she brought up the fact that the foreign language phones were essentially nonfunctional. She explained that a tape must be played through before it can go on to another language. Commissioner Kadish also said that Hart and Johnson promised to put up public service announcements about events going on in the City at public institutions, theaters, and museums and that has never been done. She explained that her concern is with how an agency performs.

Commissioner Kadish also said that Hart and Johnson had promised that they would have a bi-fold with information containing a map of the area and transportation costs.

Commissioner Kadish said she did not know what arrangements were made between Hart and Johnson and Ackerley at the time of the transfer but the Airport has not received what it was promised. She felt that the difference of $100,000 was significant if another proposal addressed these concerns.

Ms. Gittens remarked that there was no service component to the alternative that was received. She explained that the proposal only addressed the $1.850-million and that Mr. Baciagalupi indicated that he would not be willing to explain his exact conceptual proposal until such time as there was a bid.

Commissioner Kadish suggested that the item be put over in order to receive proposals as to the service component and the financial aspect.

Mr. Turpen explained that the Commission has two choices: to award the contract extension; or, to direct staff to solicit bids on the proposal. He said that Ms. Gittens' recommendation was strictly based on the hotel/motel board concept, the financial price and her evaluation of the options available to the Commission. He said that it is the Commission's perogative to broaden the service but at this point staff is focusing on the hotel/motel board service.

Commissioner Goosby said that changes should be amended into the contract.

Mr. Ken Gordon, Ackerley Airport Advertising, responded to some of Commissioner Kadish's concerns. With reference to her comments on the youth hostel or any community service he responded that Ackerley would be happy to post such information as long as space was available. He said that Ackerley has never been contacted by any organization to perform a community service.

Mr. Gordon explained that within the rules and regulations of their contract there are certain stipulations which they cannot go beyond. They are basically relegated to off-premise car rentals, hotels and motels within the immediate San Francisco downtown area and within the Peninsula area. Mr. Gordon said there is a small section entitled "Other Services" but up to this point Ackerley has not received direction from staff or the Commission as to its use. He explained that Ackerley has tried various approaches but found them to be prohibitive because of cost factors involved in advertising within the Airport .

With respect to providing ground transportation and rates Mr. Gordon said Ackerley just spent over $10,000 duplicating the large placards found in the terminals and have placed duplicates on the left-hand side of the board. He said that the Cory Duplicating Machine is now used at the Airport which offers the capability of upgrading the pricing and any new carrier at the Airport. He explained that this was virtually impossible with the old system. He said that everyone seemed to be satisfied with that performance factor.

Mr. Gordon next addressed the foreign language problem. He explained that the system in the North Terminal was inherited and does not operate properly for the use it receives at the Airport. He said that there are only three courtesy phone centers that have this system and they are all in the North Terminal. He said that another system was installed in the South Terminal when the boards were renovated and in the Central Terminal. Mr. Gordon said that Ackerley has proposed a new form of addressing the international traveler and that this proposal was submitted to staff along with the renegotiated percentage for the next five years. He said that Ackerley has spent over $150,000 of their own money on new equipment in an attempt to upgrade services and make the Airport first-rate.

Mr. Gordon asked for the five-year extension so that the costs could be amortized.

Commissioner Bernstein remarked that Ms. Gittens said something about $1.7-million versus $1.8-million and asked Mr. Gordon for an explanation.

Mr. Gordon responded that their figure was based on what they have been able to deliver in the three years since they have assumed the contract from Hart and Johnson. He said that Ackerley has increased revenues on this contract by 238 percent and renegotiated their position at the Airport on a revenue sharing basis going from 50 percent to 65 percent. He explained that this was on an annual basis and did not take into account what the annual rate of increase will be for their advertisers. He explained that this depends on the services they are offering. Mr. Gordon said that some of their rate increases for one year may range anywhere from six to 10 percent. He said that the local businessman cannot continue to be gouged and they cannot operate on a fixed fee percentage. Business considerations must be taken into account as well as the economic times. Mr. Gordon said that the allowance this year has been decreased due to the hard economic times experienced by local businesses in 1983.

Mr. Gordon said Ackerley could make up the $100,000 by selling out the rest of the board but that this is a hypothetical sell-out situation. He said that Ackerley is trying to be fair, they are trying to deliver a quality product and they are trying to deliver full service in the Airport.

Commissioner Fleishell said that staff has done an investigation and found that the response has been less than enthusiastic for this other firm. He said that Ackerley has done the job and if Commissioner Kadish's concerns are to be addressed they should be amended into the contract and give Ackerley a five-year extension because they have earned it. Ackerley has moved the revenue up and agreed to up the percentage to 65 percent. He said that if the integrity of the bidding is as good as the Airport wants it to be yet the extension of a contract is in question, why give an option.

Commissioner Bernstein said the Airport is bound to award the contract to the best bidder for the most money. He said that everyone should be given a chance at this and he would hate to award it for a $1.2-million when the Airport could get $1.8-million.

Mr. Gordon did not feel the gap was that wide. He asked if Commissioner Bernstein would like Ackereley to guarantee in writing $1.8-million versus $1.7-million. Mr. Gordon said Ackerley has always lived up to their contracts and would guarantee it.

Commissioner Bernstein said he thought Ackerley's performance has been excellent but this was a question of money.

Commissioner Fleishell said that if the Airport could get a guarantee for that amount we should take it.

Mr. Victor Baciagalupi, Baciagalupi and Associates, said their marketing approach is completely different from Ackerley's. He said that even though there has been a change of ownership the concession has not changed hands in over 10 years. He felt it was time to take a look at the competetive market and see what the true value of the concession really is. He explained that the $1.850-million is based on the present rate structure of the concessionaire and at 65 percent. The difference between the two companies is in the method of doing business.

Mr. Baciagalupi asked for an opportunity to present a proposal to the City and County of San Francisco.

Commissioner Fleishell asked if Mr. Baciagalupi was prepared to guarantee in writing the $1.850-million annually.

Mr. Baciagalupi responded that he would supply an irrevocable letter of credit to the staff supporting that amount.

Commissioner Coblentz said he has not seen Ms. Gitten's report and he would like time to think about the testimony given today. He moved item 5 in order to have a continuation of services and put over item 6 so that the Commission has the opportunity to review the issue.

Commissioner Kadish asked for a request for proposals so that the Commission could examine the figure and service guarantees.

Commissioner Goosby said it was not fair to ask these companies to spell out their intentions without a bid process.

Mr. Turpen said that if the Commission wants to consider this then item 5 should be adopted and the contract extended for two months. If the Commission wants to re-bid the item then no further submissions should be requested and the item should go out to bid. He said that the extension will give the Commission time to discuss this among themselves and with staff.

Commissioner Coblentz recommended the contract be extended for two months. He said he was not about to put this out for re-bid.

Commissioner Bernstein agreed with Commissioner Coblentz.

Commissioner Fleishell said that if you do not re-bid the contract you have no alternative but to extend it.

Mr. Turpen agreed with Commissioner Fleishell.

Mr. Turpen recommended acting on item 5 and putting item 6 over.

Commissioner Fleishell said there should be a deadline of two weeks from today for submission of materials.

Commissioner Coblentz said that the extension was not to exceed two months.

The following items were unamimously adopted.

7. Professional Audit Services Contract - Morris, Davis & Company $30,000

No. 84-0046 — Resolution approving a professional services contract with Morris, Davis & Company to assist the Airport Internal Audit staff in examining the books and records of tenants and concessionaires.

8. Supplemental Appropriation Authorizing Transfer of $1,895,000 in over-appropriated Art Enrichment Funds

No. 84-0047 — Resolution requesting a supplemental appropriation authorizing the transfer of $1,895,000 in over-appropriated art enrichment funds to fund other approved capital projects.

9. Resolution Approving Contract Modification No. 1 to Contract 1209 - 6th floor Remodeling International Terminal - $27,200

No. 84-0048 — Additional work to provide 1200 square feet of office space for Airport Accounting and Controller's Liasion Officer.

The following item was put over to a Special Meeting on March 13, 1984

10. Award of Contract 1414A,B-Boarding Area B Renovation, Boarding Area B South Concession Area, to Trans Bay/Lathrop Joint Venture, Emeryville, CA in the Total Amount of $11,854,500.

Amount includes total Base Bid of $10,655,500 plus selected additive alternates totaling $1,189,000. Budget for the work is $13,750,000.

Mr. Turpen recommended continuing the item pending the City Attorney's review of a protest.

Jason Yuen asked the Commission to schedule a special meeting for the following week in order to award this contract rather than putting it over to the next regular meeting. He explained that this project is already slightly behind schedule due to the lengthy bidding period.

Commissioner Coblentz said that the protest filed last Friday by Tutor-Saliba has not been reviewed by the City Attorney and staff has not yet received a recommendation from the Human Rights Commission. He recommended that the Director set a date for the special meeting allowing enough time for counsel to review the protest. He said that arguments can be heard at that time.

Mr. Stanley Lim, Human Rights Commission, asked Mr. Yuen if WSB Electric withdrew the bid.

Mr. Yuen responded that they did.

Mr. Lim said that in that case the Human Rights Commission has no problem.

Mr. Yuen said that the Human Rights Commission requested that the special meeting be held early next week.

Commissioner Coblentz responded that the special meeting will be on Tuesday at 8:30 a.m.

The following item was unanimously adopted by the Commission. The resolution was then rescinded and the item was put over to the special meeting of March 13.

11. Award of Contract 1371; Reconstruct and Overlay Runway IL-19R to McGuire and Hester, Oakland, CA in the total amount of $2,599,059.00

Award to second lowest bidder is recommended due to the failure of the lowest bidder to receive Human Rights Commission approval of the Minority/Women Business Enterprise Program.

Mr. James Lowrie, Lowrie Paving Company, said it was his understanding, as a result of a discussion with the Human Rights Commission, that none of the three lowest bidders were approved for award of the contract. He explained that this item was placed on the agenda in anticipation that Human Rights Commission approval would be received. Mr. Lowrie said that Julie Yim of the Human Rights Commission was present and was to request that this item be put over for two weeks.

Mr. Yuen said that Mr. Lowrie was right and asked that the item be put over.

Commissioner Coblentz suggested the item be put on the special meeting calendar if Human Rights Commission approval can be received in time.

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H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS.

The following items were unanimously adopted.

12. Approval of Sublease between Republic Airlines and DHL Airways, Inc.

No. 84-0049 — Resolution approving sub-letting of a portion of Plot 11 to DHL Airways, Inc. by Republic Airlines.

13. Resolution approving assignment of contracts and requesting City Controller to transfer funds from Contract 1206 and 1410C-1 to Contract 1410ABCD

No. 84-0050 — Work under Contracts 1206 (South Terminal Aircraft Apron Paving, Phase I) and 1410C-1 (Tunnels A&C Steel Panels) will be combined with Contract 1410ABCD (South Terminal Renovation, Phase 1) as permitted by contract. Funds need to be combined accordingly. No change in total contract amount nor budget.

14. Bid Call: Contract No. 1581-
Replacement of Cable 12BANB-1 (Sta. BA to M.H. PD-N009)

No. 84-0051

Resolution approving the scope, budget, and schedule for Airport Contract No. 1581, replacement of cable 12BANB-1, (Sta. BA to M.H. PD-N009) and authorizing the Director of Airports to call for bids when ready.

The purpose of this contract is to replace a section of defective cable. The cable serves field lighting circuits.

Construction time is 210 calendar days.

15. Settlement of Litigated Claims Not Exceeding $2,500.00

No. 84-0052

Resolution approving settlement and compromise of claims by the Director of Airports, with the approval of the City Attorney, during the period July to December, 1983. Total of claims, $5,950.63.

16. Official travel - Captain Gary Dale, SFFD - National Fire Protection Association Annual Conference.

No. 84-0053

Resolution approving the travel of Captain Gary Dale, San Francisco Fire Department, San Francisco International Airport, as Airport representative to the National Fire Protection Association Annual Meeting and Fire Safety Exhibit on May 21-24, 1984, in New Orleans, Louisiana.

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I TRAILING CALENDAR:

There was no discussion of trailing calendar items.

* * *

K ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 3:05 p.m. to go into closed session.

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION

DOCUMENTS DEPT.
JUL 16 1984
SAN FRANCISCO

MINUTES

Tuesday, March 13, 1984
Special Meeting

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President
WILLIAM K. COBLENTZ
Vice-President
RUTH S. KADISH
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

AIRPORTS COMMISSION
MINUTES OF SPECIAL MEETING
MARCH 13, 1984

INDEX

Calendar Section	Agenda Item	Title	Resolution Number	Page
A		CALL TO ORDER		2
B		ROLL CALL		2
C		AGENDA ITEMS INVOLVING ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	1.	Award of Contract 1414A,B-Boarding Area B South Concession Area, to Trans/Bay Lathrop Joint Venture, Emeryville, CA in the total amount of $11,854,500	84-0054	2
	2.	Award of Contract 1371; Reconstruct and Overlay Runway 1L-19R to McGuire and Hester, Oakland, CA in the total amount of $2,599,059.00	84-0055	2-5
D		ITEMS INITIATED BY COMMISSIONERS		5
F		ADJOURNMENT TO GO INTO CLOSED SESSION		5

AIRPORTS COMMISSION
MINUTES
MARCH 13. 1984

SPECIAL MEETING

ORDER OF BUSINESS

A. CALL TO ORDER:

The special meeting of the Airports Commission was called to order at 8:36 a.m. in Room 2B, City Hall, San Francisco, California.

* * *

B. ROLL CALL:

Present: Commissioners Morris Bernstein, William K. Coblentz, Ruth S. Kadish, Z. L. Goosby, J. Edward Fleishell

* * *

C. AGENDA ITEMS INVOLVING ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following items were unanimously adopted:

1. Award of Contract 1414A,B - Boarding Area B Renovation, Boarding Area B South Concession Area, to Trans/Bay Lathrop Joint Venture, Emeryville, CA in the total amount of $11,854,500

No. 84-0054

Mr. Jason Yuen, Acting Airport Director, said that the Human Rights Commission has indicated that the contract can be awarded to Lathrop.

Commissioner Coblentz said that page two of the resolution reads: "...the proposal submitted by Lathrop is totally responsive." He asked that the word, "totally" be removed.

2. Award of Contract 1371; Reconstruct and Overlay Runway 1L-19R to McGuire and Hester, Oakland, Ca in the total amount of $2,599,059.00

No. 84-0055

Commissioner Coblentz said that Mr. Dennis Rice would like to address the Commission. He said that he was in possession of Mr. Rice's letter and did not want to go into the issue of ethnic origin. He said that this was an issue to be decided by the Human Rights Commission. He asked if the Human Rights Commission has seen the appeal.

Ms. Pansy Waller, representative of the Human Rights Commission, responded that she just received the letter.

Mr. Rice commented that the reason for the delay was because his client was not contacted until late Friday, and he was not contacted until Saturday.

Commissioner Coblentz suggested that the matter be put over. He asked if there is a time constraint.

Mr. Yuen responded that there would be a problem. He explained that the contract has a time limit for award and explained that there are four or five days left before the contract would have to be re-bid. Mr. Yuen further explained that if this award was not made and the contract had to be re-bid they would miss the summer season. He asked the Commission to consider awarding the contract and have Mr. Rice appeal to the Human Rights Commission.

Mr. Rice responded that under the rules there are 60 days in which to make a determination on MBE and WBE compliance. He said that the 60 days began on January 27.

Mr. Rice said his clients would not want to be put in a position of appealing an awarded contract. He felt that they should have the opportunity to review the facts with the Commission and with staff before the award. He asked to be allowed to make the modifications to the form and bring the contract into compliance, as has been done in the past.

Commissioner Coblentz asked how soon Mr. Rice could meet with the Human Rights Commission.

Mr. Rice responded this week.

Commissioner Coblentz told Mr. Rice that he should meet with the Human Rights Commission either today or tomorrow.

Ms. Pansy Waller said that Hoyt Kelly failed to meet the guidelines used by the Human Rights Commission to certify a minority business. She said that their recommendation to award the contract to the second bidder would not change.

Commissioner Coblentz asked Ms. Waller how she could be so sure that the recommendation would remain the same since she had not had the time to read the letter.

Ms. Waller responded that the Human Rights Commission had recommended award to the second lowest bidder. The apparent low bidder had not met the goal. She felt that even in the event that Hoyt Kelly is certified the goal is still far from what it should have been.

Commissioner Kadish asked if this recommendation is a staff or Commission decision.

Mr. Waller responded that the Director and staff make the recommendation.

Commissioner Coblentz said that since the Director and staff of the Human Rights Commission have not had the opportunity to review this letter he recommended that Mr. Rice review the letter with them either today or tomorrow.

Commissioner Coblentz moved award of the contract to the second lowest bidder. If the issue is resolved after the meeting then the contract will be awarded to Ghilotti.

Mr. Rice said they can work out the differences in percentages but the concern is the sub-hauler, who is black, is also being used by the second low bidder. He said his client should be allowed to include that sub-hauler in their bid.

Mr. Jim Woods, Acting Airports General Counsel, said that if the 9 percent was in excess of one-half of one percent of the total contract, then it could not be used.

Mr. Yuen said that it was.

Mr. Rice said that the trucking company was not a subcontractor.

Mr. Woods asked how the trucking company was not a subcontractor.

Commissioner Coblentz said this was something the Airports Commission was not capable of hearing. He once again requested that Mr. Rice meet with the Human Rights Commission. He said that if the issue can be resolved then the contract will be awarded to Ghilotti, if not, then the award will remain with McGuire-Hester, the second lowest bidder.

Mr. Rice said he would like to work this out before a decision is made. He does not want the Human Rights Commission in the position of defending their recommendation.

Commissioner Fleishell asked if the Commission placed itself in a legal predicament by awarding the contract in this manner.

Mr. Woods responded that there is no award until all charter steps are taken (HRC approval and certification by the Controller.) He said that as long as there appears a condition precedent to the award that the low bidder is not approved by the Human Rights Commission the award is made to the second low bidder.

Commissioner Coblentz then suggested that the award be made to Ghilotti, the low bidder, subject to approval of the Human Rights Commission.

Ms. Julie Yim, Human Rights Commission, said that would be going against the Human Rights Commission's recommendation.

Commissioner Coblentz disagreed saying that the Human Rights Commission has not yet had the opportunity to review the letter and therefore did not have all of the facts.

Commissioner Fleishell said that the resolution should also stipulate that written approval must be received by 5:00 p.m., Friday, March 16, 1984.

Commissioner Goosby asked how much time is alotted from the time a contract goes out to bid until it is awarded.

Mr. Yuen responded that it was 60 days. He explained that the Human Rights Commission attends the bid opening and works with the three lowest bidders to submit the documents.

Ms. Julie Yim responded that it is more like 10 days between the time the bid is open and comes before the Commission for award. She said that on smaller contracts it is often less than 10 days.

Mr. Yuen said that 60 days is the maximum amount of time to award the contract. Staff usually brings awards before the Commission at the next Commission meeting .

Commissioner Goosby said that that time frame might not be realistic and perhaps more time should be given the Human Rights Commission for their recommendation. He said that the Human Rights Commission performs important function to the Airport, to the Commission and to the City.

Mr. Rice endorsed the longer time-frame arguing that if they received a negative ruling at the Human Rights Commission staff level they could go before the Commission. Under the current situation the award would be made while they were still seeking recourse.

Commissioner Kadish said that the 10 days that we have been operating on was a mutual arrangement between the Airport staff and Human Rights Commission staff. She said that the Airports Commission recognizes the problems to be faced in the Human Rights Commission not fulfilling the time schedule. She was surprised that they have not requested an extension and commended Commissioner Goosby for bringing it up.

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There was no discussion by the Commission.

* * *

F. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendered business before the Commission, the meeting adjourned at 8:55 a.m. to go into closed session.

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION

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MINUTES

Tuesday, March 20, 1984

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President
WILLIAM K. COBLENTZ
Vice-President
RUTH S. KADISH
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

INDEX
OF THE MINUTES
AIRPORTS COMMISSION

March 20, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A		CALL TO ORDER		3
B		ROLL CALL		3
C		ADOPTION OF MINUTES:		
		Regular Meeting of December 6, 1983	84-0056	3
D		SPECIAL ITEM:		
	1	Retirement-Wesley E. Curtis	84-0057	3
E		DIRECTOR'S REPORT:		
	2	Preventative Maintenance Program		3-4
F		ITEMS INITIATED BY COMMISSIONERS		4-7
G		POLICY REVIEW:		
	3	Review and Approval of Policies: Consultants, PCB Transformers, Concession Audits, Medical Clinic, Data Processing, Contract Awards	84-0059 84-0060 84-0061 84-0062 84-0063 84-0064	7
H		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	4	Authorization to Bid: Shoeshine Operation in each Terminal Building	84-0065	8
	5	Approval of Amendment No. 11 to Gensler and Associates Professional Services Agreement for Increased Scope of Work $290,000	84-0066	8
	6	Approval of Amendment No. 1 to the South Terminal Architect's Professional Services Agreement for Adjustment of Scope of Work and Budget for Project Representation	84-0067	8
	7	Shuttle Bus Service Agreement No. 68252, Modification No. 1	84-0068	8
	8	Bid Call: Airport Contract No. 1521R Garage Signing-Electronic Display Units	84-0069	9

Calendar Section	Agenda Item	Title	Resolution Number	Page
	9	Bid Call: Airport Contracts 1535R-Reroofing of Engineering Building & 1536R-Lower Roof Replacement of Maintenance Building	84-0070	9
	10	Proposed Airport Student Internship Program	84-0058	4-5
I		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	11	Tenant Improvement: TWA Service Area Plot 3 Replacement of Fuel Storage Tank T-2845-$65,000 No Rental Credit	84-0071	9
	12	Statistical Adjustments for 1983-84 Joint Use Billings Under New Lease and Use Agreement	84-0072	9
	13	Cerand Contract-Extension of Term	84-0073	9
	14	Modification No. 1 and Completion of Airport Contract No. 1338-Silt Removal, 1983	84-0074	10
	15	Award of Airport Contract No. 1524-Replacement of 8-inch Sewage Force Main at Sewage Pump Station No. 5	84-0075	10
J		COMMUNICATIONS		10
K		TRAILING CALENDAR		10
M		ADJOURNMENT TO GO INTO CLOSED SESSION		10

MINUTES
OF THE
AIRPORTS COMMISSION

March 20, 1984

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 2:00 p.m. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Commissioners William K. Coblentz, Ruth S. Kadish, Z. L. Goosby, J. Edward Fleishell
Absent:	Commissioner Morris Bernstein

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of December 6, 1983 were adopted by order of the Commission Vice President.

No. 84-0056

* * *

D. SPECIAL ITEM:

1. Retirement of Wesley E. Curtis

No. 84-0057	Retirement of Wesley E. Curtis, Station Manager for Delta Air Lines, on April 1, 1984.

Mr. Jason Yuen, Acting Director of Airports, said Mr. Curtis has been the station manager at Delta since the airline began service at SFO. He asked the Commission to join him in extending best wishes to Mr. Curtis.

Commissioner Coblentz said the Commission enthusiastically endorses the resolution.

* * *

E. DIRECTOR'S REPORTS:

2. Preventative Maintenance Program

Quarterly report outlining progress on in-house take-over of Airports Preventative Maintenance Program.

Mr. Yuen asked Dennis Bouey, Deputy Director of Facilities, Operations and Maintenance, to brief the Commission.

Mr. Bouey told the Commission that staff has negotiated a software lease with Crothall. He said that Crothall's attorneys were reviewing the lease and it will then go to the City Attorney's office. Mr. Bouey said that the only problem they have encountered up to this point was in getting it through the Icepick Committee (the EDP Committee that approves all hardware requests). He said that although it took three meetings to get it through they are still on track and have no problems.

Commissioner Goosby said he was pleased that it was moving along.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Goosby commended Clemente Obregon of the Human Rights Commission on his report on the Airport's minority/women hiring. He asked what the Airport's responsibilities were and if we were meeting all administrative regulations and ordinances and if there was anything we should be doing in the way of corrective action or to further implement the program. He suggested that Mr. Obregon might want to make some recommendations.

Mr. Yuen said that Don Garibaldi and staff will work with the Human Rights Commission. He reminded the Commission that the Airport is the leading department in affirmative action.

Commissioner Kadish added that this was the only Commission to be lauded by the Human Rights Commission for its hiring program and contracting program.

* * *

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following item was called out of order and unanimously adopted.

10. Proposed Airport Student Internship Program

No. 84-0058	Resolution for approval of a one-year pilot student internship program to be sponsored by the San Francisco International Airport, San Mateo County Industry Education Council and San Mateo Union High School District.

Mr. Yuen explained that this is a proposed one-year pilot program for high school interns to work at the Airport. He said that the program will be beneficial to both the students and the Airport and will help improve relations with the neighboring communities.

Mr. Yuen told the Commission that Mayor Feinstein had given her approval and he recommended its adoption.

Mr. Yuen said a number of speakers wanted to address the Commission.

Mr. Ron Wilson, Director of Community Affairs, told the Commission that this program started about a year ago when the San Mateo Union High School District, Capuchino High School particularly, approached the Airport through the San Mateo County Industry Education Council with the idea of a student intern program. He said that the Airport thought this was a good idea. Mr. Wilson told the Commission that Mayor Feinstein wanted to include the San Francisco Unified School District on a 50-50 basis.

Mr. Wilson explained that this program would be on a non-paying basis. He said that if the one-year trial proves to be successful the program can be expanded to more schools.

Mr. Wilson said Dr. Carol Choy of the San Francisco Unified School District was present as well as representatives from the San Mateo County School District, Congressman Lantos' office, Senator Foran's office and Assemblyman Papan's office and some of them would like to address the Commission.

Commissioner Goosby commented that this is something that some members of the Commission have wanted for a number of years. He said that the Community College has a campus at the Airport with a major in aircraft maintenance and he is amazed that they have not made the effort to try for a more meaningful relationship with the Airport. Commissioner Goosby said that the Commission along with the Mayor wanted San Francisco students involved in this program. He hoped that there would be a fair racial representation of the schools involved.

Commissioner Kadish asked that the Commission be informed through bi-monthly reports as to how the program is developing and what the results are.

Mr. Wilson introduced Ms. Tina Natara, student body President of Capuchino High School.

Ms. Natara, on behalf of the administration, staff and student body of Capuchino High School, presented the Commission with a letter of appreciation and thanked the Commission for their approval of the internship program.

Dr. Carol Choy, San Francisco Unified School District, said that on behalf of Mayor Feinstein, Dr. Alioto, the staff and students of the San Francisco Unified School District they are delighted to be able to participate equally in this program. She said she looked forward to reporting back to the Commission about the program's progress.

Mr. Samuel Johnson, Jr., Principal of Capuchino High School, assured the Commission that the racial mix will be given a close look. He thanked Ron Wilson and Sandra Crumpler for their untiring efforts in putting this project together. He assured the Commission that the bi-monthly reports would be sent and thanked them for their approval.

Commissioner Coblentz said this was an admirable project and wished them success.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Fleishell said it was his understanding that the design of the Airport's informational brochure was to be handled through a professional services contract and the printing would be handled through the Purchaser but found that the design was also sent to the Purchaser for bid.

Mr. Yuen said that Commissioner Fleishell was right and that the Airport could use a professional services contract for the design but the printing was the responsibility of the Purchaser.

Mr. Ron Wilson said that he selected three firms that he thought would be appropriate to work with the Airport on the design. He then selected the lowest of the three firms and sent it to the City Purchaser for a request for purchase order but was told by the Purchaser that he was performing beyond the scope of his duties and that of the Airport. He was told that it was the Purchaser's responsibility to bid these contract.

Mr. Wilson said that there was a lot of minority interest in this job -- 13 contractors bid through the Purchaser's office and more than half were minorities. He said that the lowest and second lowest bidders were minorities and recommended the second lowest bidder.

Commissioner Fleishell said that as recently as the opening of the Central Terminal the Airport went through a printing job which was not bid by the Purchaser. He said he could not understand why the procedure has suddenly changed.

Mr. Don Garibaldi, Airports General Counsel, arrived at the meeting at this point and told the Commission that he had just met with the Purchaser and his chief deputy and they both agreed that this should have been a professional services contract and should have been handled by the Airport and not bid through the Purchaser.

Commissioner Kadish questioned Mr. Wilson's action in choosing one of the three bidders for the design. She said that the procedure followed on professional services contract is not price alone but quality of work. She said that the Commission had requested that the design come back to them before going ahead but this was not done.

Mr. Wilson explained that he may have misunderstood the Commission's intent. He said that he thought the Commission wanted him to select a designer, do the design work and before the document was printed it was to be presented to the Commission for approval.

Commissioner Kadish said that the bidders should have given some indication as to the quality of their work and the calibre of what they were proposing.

Mr. Wilson explained that he thought the Commission wanted the actual product brought back so that they could modify and/or approve it; he did not realize that the Commission wanted the names of the contractors.

Mr. Wilson said the project has gone out to bid but he did not think that it has gotten very far in the process and thought that the contractor along with the designer and his qualifications could be brought before the Commission for approval.

Mr. Yuen asked if the contract had been awarded by the Purchaser.

Mr. Wilson responded that to his knowledge it has not been awarded.

Mr. Yuen recommended starting from scratch.

Commissioner Fleishell said it was his understanding that the Director has the authority to spend up to $15,000 without coming before the Commission. He felt that staff could put something together that would be reasonably acceptable to all members.

Commissioner Kadish said the Commission never asked for the names of the contractors. She said that the Commission decided to model the brochure after the Los Angeles brochure. Staff was to make use of the design developed for the opening of the Central Terminal. Prior to the completion of the brochure it would be brought to the Commission for approval.

Mr. Wilson said that that was his understanding. He said that there was a time constraint and would rather not start from scratch. He proposed that staff bring to the Commission a concept lay-out of the brochure for approval within the next four weeks. He recommended letting the contractor chosen by the Purchaser do the work. He said it was a $5,500 contract.

Mr. Yuen asked if this job could be divided into two contracts - one for design and one for print.

Mr. Wilson responded that it already is in two contracts.

Mr. Yuen asked that the design be brought back to the Commission before it goes to printing.

Mr. Wilson responded that that was his intention all along.

Commissioner Fleishell asked if the contract on design was camera-ready art.

Mr. Wilson responded that it was.

* * *

G. POLICY REVIEW:

The following items were unanimously adopted as amended.

3. Review and Approval of Policies: Consultants, PCB Transformers, Concession Audit, Medical Clinic, Data Processing, Contract Awards.

No. 84-0059
84-0060
84-0061
84-0062
84-0063
84-0064

Commissioner Kadish asked that "San Francisco International Airport" be put in after "PCB transformers."

Mr. Yuen told the Commission that the Airport is the first department in the City to remove PCB transformers.

Mr. Yuen cautioned the Commission on the contract awards resolution saying that if the resolution is rigidly enforced there may be a problem with construction contracts under certain circumstances.

Commissioner Coblentz recommended inserting the phrase "in most circumstances."

Regarding the Data Processing resolution Mr. Yuen said that the day-to-day work can be done in-house however there may be short term needs requiring outside help.

* * *

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following items were unanimously adopted.

4. Authorization to Bid:
Shoeshine Operation in each Terminal Building

No. 84-0065 — Resolution approving leasehold specifications for Shoeshine Operations in the North and International Terminals and permit specifications for the South Terminal, and authorizing the Director to bid both the leases and the permit.

5. Approval of Amendment No. 11 to Gensler and Associates Professional Services Agreement for Increased Scope of Work and Budget for Project Representation

No. 84-0066

Commission Kadish said that one item includes "payment for the design, logo and theme for the International Terminal grand opening." She said that $40,000 was authorized by the Commission for another logo and theme. She said there were two such designs and asked why there is now a third.

Mr. Yuen said he could brief the Commission now.

Commissioner Kadish asked for the information in writing.

6. Approval of Amendment No. 1 to the South Terminal Architect's Professional Services Agreement for Adjustment of Scope of Work and Budget for Project Representation.

No. 84-0067

Anshen & Allen	$45,970	increase
ED-2	$ 4,000	increase
Esherick, Homsey, Dodge & Davis	$142,900	increase
Gensler & Assocs.	($ 40,000)	decrease
Gerson/Overstreet	$ 20,000	increase
Group 4/Architecture	($ 10,000)	decrease
Marquis/Wong & Brocchini	$140,265	increase

Commissioner Goosby asked if the total amount remained the same and the money was just being moved around.

Mr. Yuen replied that it did.

7. Shuttle Bus Service Agreement No. 68252, Modification No. 1

No. 84-0068 — Resolution approving an increase in SFO Shuttle Bus Service rate, reflecting wage agreements effective January 1, 1984, and payment of such increases, retroactive from January 1, 1984 through February 29, 1984.

8. Bid Call: Airport Contract No. 1521R
Garage Signing - Electronic Display Units

No. 84-0069

Resolution approving the revised scope, budget, and schedule for Contract No. 1521R and authorizing the Director of Airports to call for bids when ready.

The work for this contract consists of furnishing and installing remote control single face electronic display message units throughout the Garage.

Contract time 100 calendar days.

9. Bid Call: Airport Contracts
1535R-Reroofing of Engineering Building
1536R-Lower Roof Replacement of Maintenance Building

No. 84-0070

Resolution approving the revised scope, budget and schedule for Contracts #1535R and 1536R and authorizing the Director of Airports to call for bids when ready.

The work for the contracts listed above consists of furnishing and installing new roofing and/or patching and repairing of existing roofs.

Contract time for each of the contracts is 60 calendar days.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

11. Tenant Improvement: TWA Service Area Plot 3
Replacement of Fuel Storage Tank
T-2845 - $65,000 - No Rental Credit

No. 84-0071

Resolution approving the plans and specifications for the replacement of fuel storage underground tank.

12. Statistical Adjustments for 1983-84 Joint Use Billings Under New Lease and Use Agreement

No. 84-0072

Resolution adjusting 1983-84 Joint Use Billings pursuant to Section 101.W of the new Airlines-Airport Lease and Use Agreement for Braniff Airways.

13. Cerand Contract - Extension of Term

No. 84-0073

Resolution to modify contract between City and Cerand & Company, extending term of contract to December 31, 1984.

14. Modification No. 1 and Completion of Airport Contract No. 1338 - Silt Removal, 1983

No. 84-0074 — Resolution accepting the work under Airport Contract No. 1338, Silt Removal, 1983, as satisfactorily completed; extending the completion from January 5, 1984 to January 17, 1984, approving and requesting the Controller's certification of Modification No. 1; and approving final payment of $16,939.90 in favor of the Contractor, CAL Equipment.

15. Award of Airport Contract No. 1524
Replacement of 8-Inch Sewage Force Main at Sewage Pump Station No. 5

No. 84-0075 — Resolution awarding Contract No. 1524 to Stacy and Witbeck Inc., P.O. Box 11641, San Francisco, CA 94101-7642, in the amount of $188,035.00. Fifteen bids were received on March 1, 1984. Construction time is 100 calendar days.

* * *

J. COMMUNICATIONS:

There was no discussion by the Commission

* * *

K. TRAILING CALENDAR:

There was no discussion of trailing calendar items.

* * *

M. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting was adjourned at 2:26 p.m. to go into closed session.

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION

MINUTES

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APRIL 3, 1984

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President
WILLIAM K. COBLENTZ
Vice-President
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DR. Z.L. GOOSBY
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LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

Index
of the Minutes
Airports Commission

April 3, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:	84-0076	3
D.		ITEMS INITIATED BY COMMISSIONERS:		3
E.		POLICY:		
	1.	Policy - Religious Activities		4-8
F.		POLICY REVIEW:		
	2.	Review of Policies Adopted by the Commission during the period of January through April, 1983		8
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	3.	Resolutions Pertaining to Hotel/ Motel Advertising Service	84-0077	8-9
	4.	Professional Services Contract with San Mateo County	84-0078	9
	5.	Modification No. 6 to Professional Services Agreement with Morrison and Foerster	84-0079	9-10
	6.	Final Modification and Close-out of Contract 1200B(3) Boarding Area D-$215,507.15	84-0080	10
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	7.	Approval of Sublease between American Airlines, Inc. and International Total Services Inc.	84-0081	10
	8.	Statistical Adjustments 1983-84 Joint Use Billings under New Lease & Use Agreement	84-0082	10

Calendar Section	Agenda Item	Title	Resolution Number	Page
	9.	Bid Call: Contract No. 1591 Pavement Overlay of VIP Loading Area	84-0083	11
	10.	Bid Call: Contract No. 1592 Pavement Construction of Taxiway R at Plot 12	84-0084	11
	11.	Award of Contract No. 1582 Replacement of Cable 12BANB-1 (Sta. BA to MH PDN009)-$83,535.00		11-14
	12.	Completion of Professional Service Agreement McIntosh Laboratories	84-0085	14
	13.	Modification No. 3 to Professional Services Agreement-Associated Geotechnical Engineers	84-0086	14
	14.	Declaration of Emergencies Airfield Power Cable and Power Cable Serving Western Airlines	84-0087	15
	15.	Los Angeles International Airport's Crash and Mass Casualty Exercise April 25, 1984	84-0088	15
I.		COMMUNICATIONS:		15
J.		TRAILING CALENDAR:		15
L.		ADJOURNMENT TO GO INTO CLOSED SESSION:		15

Minutes
of the
Airports Commission

April 3, 1984

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 2:03 PM, in Room 282, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Commissioners Morris Bernstein, William K. Coblentz, Ruth S. Kadish, Z. L. Goosby, J. Edward Fleishell.

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of the Airports Commission were adopted by order of the Commission President.

No. 84-0076

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Kadish said that it was decided at the December meetings that staff was to return to the Commission with a format for the policies being developed but that nothing has been done. She hoped a format will be presented the next time policies are discussed.

Commissioner Kadish noted that at the December 5 meeting there was to have been a policy reenunciating the Commission's wishes that no concessions were to be installed at the Airport without Commission approval. She asked that such a statement be included in the next group of policies to be discussed.

* * *

E. POLICY:

The following item was put over. This item was transcribed verbatim:

1. Policy - Religious Activities

Resolution declaring that it is the policy of the Airports Commission not to provide space at San Francisco International Airport for the conduct of religious activities, except as specified by its Rules and Regulations relating to First Amendment activities.

Mr. Turpen: Before the Commission is a policy relating to space for the conduct of religious activities at the Airport. There is a resolution which states the Commission policy and that policy is not to provide space for the conduct of religious activities except as specified in the Commission's Rules relating to First Amendment activities. The policy is very direct and the Commission's rules, which are presently before you in draft form, contain the rule concerning First Amendment activities; that rule has not been changed. That would be the governing feature in the Commission's policy regarding space for religious activities.

Commissioner Bernstein: Are you through, Mr. Turpen?

Mr. Turpen: Yes, sir.

Commissioner Bernstein: Mr. Levine, did you want to say something.

Mr. Richard Levine, attorney for the San Francisco Airport Christian Science Reading Room addressed the Commission.

Mr. Levine: I am here on behalf of the San Francisco Airport Christian Science Reading Room. This Reading Room, as members of the Commission know, has been a fixture of the South Terminal for some 27 years. It has been a tenant throughout that period of time and has paid the going rental rate. It has received no special consideration and has been treated as every other tenant. Now there has been issued, apparently pursuant to the resolution which you promulgate today, what is effectively an eviction notice. The Reading Room has been told that as of April 21, it must vacate its premises and it will not be relocated. This, to spite the fact that all other tenants who were being asked to vacate premises because of the renovation going on at the Airport are being relocated.

The San Francisco Reading Room, at this time, does not question the good faith of this body in making the decision or promulgating this resolution. We are prepared to believe that you are properly concerned about your responsibilities under the First Amendment and that you have concluded that a continued permit to the Reading Room is inconsistent with the Establishment Clause.

We don't know how long it's been since the members of this Commission and their counsel have studied this question but we are entirely convinced that you are incorrect. The decisions which have come down in the Federal Courts over the past few years have reaffirmed the fact that accommodations to groups which may be religiously affiliated which are made on a basis no different from accommodations to groups that are not so affiliated does not constitute the establishment of religion. Indeed, in a case decided by the District Court in New York and later affirmed by the Second Circuit the action of John F. Kennedy Airport in establishing and leasing chapels on airport grounds was approved.

Commissioner Coblentz: Give me the citation of that, please.

Mr. Levine: I can give you the name, sir. The name is the Braishish Case. I will get you the citation as soon as I sit down.

Jim Woods, Acting Airport General Counsel: What is the name of that case?

Mr. Levine: Braishish. We have the citation for that. That was submitted to representatives of this Commission a couple of years ago along with a memorandum that set forth the law as it was then. The law, as it is now, has come considerably toward the Free Exercise Clause and areas of conflict between the areas of the Free Exercise Clause and the Establishment Clause. Of particular interest is the recent Lynch Case which considered the action of Pautucket, Rhode Island in setting up a Nativity Scene as part of their municipal Christmas display. The United States Supreme Court held in that case that the fact that the municipal action might benefit religion did not necessarily and of itself mean that the Establishment Clause had been violated. As a matter of Constitutional Law it is our opinion that if the continuing permit to the Reading Room does not violate the Establishment Clause then the discriminatory eviction of the Reading Room among all the other tenants on the basis solely of the content of the materials which it makes available is a violation of not only free exercise of religion guarantee but the freedom of speech guarantee.

The Christian Science Reading Room has no wish to litigate with the Commission or with the City of San Francisco. It does, however, represent a religious community which feels that it is the object of discrimination; perhaps discrimination in good faith - not intentional discrimination but discrimination none the less by this Commission and it feels that it must take some steps in order to at least put before this Commission what it feels are the applicable authorities which clearly establish that the eviction of the Reading Room as opposed to any other tenant of the Airport is a violation of the First Amendment. What we would like to (he was interrupted). I have that citation for you - it's 484 Fed. Sup. 697, Southern District of New York 1979.

Commissioner Coblentz: What about the Court of Appeals.

Mr. Levine: It was affirmed at 628 Fed 2nd 1344 Second Circuit 1980.

Mr. Woods: You also mentioned the Lynch Case.

Commissioner Coblentz: That's that recent Supreme Court decision.

Mr. Levine: We have a proposal to make. What we would like to see happen here - we would like the eviction notice put in abeyance for a short period of time. The Reading Room received this eviction notice approximately 10 days ago. They only consulted counsel last week. The eviction is now set to go forth in 18 days. We would like an opportunity to brief these issues. We would like an opportunity to present the Commission and your legal counsel with the authorities which we feel compel that the Reading Room not be evicted. The only way for us to do that in time for you to consider it before the eviction is to put that eviction off for a few weeks. Such a measure would not put the Reading Room in the position where it would have to consider litigation; and it does not want to do that.

Commissioner Bernstein: Mr. Turpen, isn't there a problem because of the construction.

Mr. Turpen: Yes, sir. As a matter of fact this termination of the permit afforded the Reading Room has been known for some time. Earlier on, I

believe, if I recall, a year, maybe a year and a half ago, I don't recall exactly how long ago, there was conversation in this regard and the statement at that time was that we recognize that the construction of the South Terminal would impact the Reading Room; they would have to vacate those premises and we indicated that early in 1984 the vacation of those premises would have to take place so the notice, if you will, the official notice of the termination of the permit comes only after a significant amount of discussion and a recognition on the part of all parties that the South Terminal construction program would impact that location. I don't know. I would have to ask Jason exactly what the impact would be of any delay in this action.

Commissioner Goosby: What date are you going to be in there knocking walls down.

Mr. Jason Yuen, Administrator, Bureau of Planning and Construction: May 1st. There is no sense in continuing the Reading Room while construction is going on all around it. There's no access; you can't get in there. Your customers can't get in there. There's dust, noise, no heat.

Mr. Levine: May I respond. I have two responses. First of all it's true that the Reading Room has known for some time that the Commission planned to ask it to vacate. And, although initial signals were to the contrary, the Reading Room has also known for some time that it would be singled out as the one tenant who would not be relocated. However, the official notice did not come...(interrupted)

Commissioner Coblentz: Where did that signal come from.

Mr. Levine: The signal came in correspondence between Mr. Garibaldi and legal representatives of the Reading Room as well as lay representatives of the Reading Room.

Commissioner Coblentz: What was the basis of that signal from Mr. Garibaldi.

Mr. Levine: There was initially a letter, I believe in 1981, that discussed the coming renovation that indicated that the existing tenants would be relocated. Some months subsequent to that another letter came and said that due to the interpretation of the Establishment Clause by counsel for the committee the Reading Room would not be relocated.

Commissioner Coblentz: So there was a discussion of the legal aspects of this.

Mr. Levine: There was indeed, sir. We submitted a memorandum years ago about this issue and...(interrupted)

Commissioner Coblentz: Two years ago.

Mr. Levine: I believe so, and there was no response. However, we were not confronted with an eviction notice until April 21 - I'm sorry, until approximately March 21, and had we wanted to take any action, such as go to court, we could not have done so until such a notice was issued. But we don't want to go to court right now.

Commissioner Coblentz: You could have filed suit for declaratory relief.

Mr. Levine: We could have filed suit for declaratory relief, perhaps, but there was no action. There was no action by the Commission to get us out. There was just a general declaration of intent to which we responded with a legal brief indicating that in our view that would be improper and a violation of the Free Exercise Clause.

Commissioner Coblentz: Excuse me. Lou did you have something else. Excuse me, Mr. Levine.

Mr. Turpen: I think, in view of the history that I'm privileged to have before me on this issue going back to April, 1981, and, in view of some of the circumstances that Mr. Levine has raised, I would suggest that it would be in the best interest of everyone involved to have Mr. Woods and Mr. Levine get together, possibly in the intervening period before the next Commission meeting which is on the 19th, with the full recognition that it is our intent, at this point, to keep that termination and permit termination in effect. However, it would allow us, in that intervening two weeks to take a look at the situation and very possibly share with the attorney for the Christian Science Reading Room some of the information that we have and some of the history involved and simultaneously come to an understanding about...

Mr. Levine: I have an alternative suggestion. My alternative suggestion is that if the extension of that bar has to begin on May 1 then the Reading Room be given alternative space on a temporary basis so that the Reading Room retains its status as a tenant of the Airport and is not compelled to take any action before it looses that status.

Commissioner Goosby: That could still be done. In two weeks we'll meet again...and if that's the decision it can still be done.

Commissioner Bernstein: Perhaps, Mr. Woods, you can arrive at some conclusion. It's only two weeks.

Commissioner Coblentz: You've got to face a judgment day somewhere. Let's assume that, with all due respect, opposing counsel don't come to an agreement.

Mr. Turpen: It would be my recommendation to this Commission, based on the advice of the Airports General Counsel, that we not continue with the...(interrupted).

Commissioner Goosby: Then we would have this resolution before us, again.

Mr. Turpen: Yes you would; with my recommendation that it be passed.

Commissioner Coblentz: Jim, can you and Mr. Levine get together.

Mr. Woods: Mr. Levine and I have discussed the matter and he wishes to submit a written brief to the Airport's General Counsel for his review and comment to the Commission in hopes of avoiding litigation and to share his knowledge on the recent developments in this Constitutional Law area and to make sure that the Airports Commission has the benefit of their argument. I see no problem with a two week delay on the decision. I'm more than willing to listen to points and authorities from anywhere on the question.

Commissioner Coblentz: I think I speak for the Commission. I don't dispute anything you say except for one thing - you said there is no question at this time - and a good thing; I think that the record will show that at all times, from here on and in the past, this Commission has acted in good faith and if there is any question here of eviction of the Christian Science Reading Room, or any other, it would be based on the constitutional concepts of the separation of church and state; solely that, and that's all.

Mr. Levine: I appreciate that Commissioner. I meant to imply nothing else. The purpose of my presentation to you today is to suggest that the advice that you have received with respect to the Establishment Clause is simply not the current state of the law.

Commissioner Coblentz: Why don't you do it, and, if you could, make sure the Commission gets it, especially Commissioner Fleishell and myself. We at least have law degrees.

Mr. Levine: So, am I to understand that the resolution will be tabled for two weeks while counsel and I discuss it.

Commissioners Kadish, Goosby and Fleishell: Yes

Mr. Levine: Thank you, very much

Commissioners Coblentz: That will be on the 17th.

* * *

F. POLICY REVIEW:

The following item was put over.

2. Review of Policies Adopted by the Commission during the Period of January through April, 1983.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

Resolution A of the following item was unanimously adopted.

3. Resolutions Pertaining to Hotel/Motel Advertising Service

No. 84-0077

Mr. Turpen asked Ms. Gittens to brief the Commission.

Ms. Angela Gittens, Deputy Director for Business and Finance, said the Commission has received proposals from Ackerley and Baciagalupi. She said that she believed the Baciagalupi proposal was confidential and the details should not be discussed. She said, as the agenda item memo indicated, it incorporates services not contained in the present agreement.

Ms. Gittens said that staff has presented the Commission with a range of decisions the Commission could make. One includes the bid for a new range of services such as those incorporated in the Baciagalupi proposal. Ms. Gittens explained that given the expanded complexity of this item additional time would be required to bring it back if the item were to go out to bid. She said that at the last meeting Mr. Turpen had indicated that staff could get a bid out and back to the Commission within two months but she did not feel that that would be a likely time period.

Mr. Turpen said there are three alternatives available to the Commission today: (1) extend the existing contract for five years; (2) bid the existing provisions necessitating an extension of Ackerley's contract; and, (3) direct staff to develop an expanded alternative set of specifications surrounding this activity with an extension to Ackerley which would allow staff the time to develop the bid proposals and get them back to the Commission.

Ms. Gittens said her recommendation is to extend Ackerley's contract for five years.

Commissioner Fleishell made the motion to extend and Commissioner Kadish seconded.

Mr. Victor Baciagalupi, Baciagalupi and Associates, thanked the Commission for the opportunity to submit a proposal. He asked if the determining factors of staff's recommendation to the Commission was a detailed part of the record.

Mr. Turpen responded that it will be reported in the minutes as Ms. Gittens made the recommendation.

Mr. Baciagalupi assumed there was some criteria used to determine the pros and cons.

Commissioner Fleishell responded that he did not think there need be any criteria. He said that there is an existing contract with an option and the Commission has the authority to exercise that option.

Commissioner Coblentz said that unless the Commission is proved to be arbitrary and capricious it does not have to state any reasons.

Commissioner Goosby commented that when a contract has been carried out according to the terms and specifications a City agency has a responsibility to grant an option. He said that is one of the factors he considers in making his decision.

Commissioner Fleishell, commenting on Ms. Gittens statement that Mr. Baciagalupi's proposal was confidential, said he did not understand how it could be confidential when it deals with a public subject and you are asking another party to comment on it. He suggested that this be cleared up and added that there cannot be confidential submissions to the Commission on a public item.

Mr. Woods agreed adding not unless there was a recognized evidence code or government code privilege. He said that in this case it was not privileged.

The following item was unanimously adopted.

4. Professional Services Contract with San Mateo County

No. 84-0078	This agenda item concerns a professional services agreement between the City and County of San Francisco and San Mateo County wherein the County will be an independent contractor of the City to advise the Commission regarding possible actions to be taken to reduce the impact of aircraft generated noise on the San Mateo County environs.

Mr. Turpen explained that this was a continuation of the Airport's arrangement in support of the Airport Community Roundtable which is part of the variance process.

The following item was adopted by a 3-2 vote with Commissioners Kadish and Goosby casting dissenting votes.

5. Modification No. 6 to Professional Services Agreement with Morrison and Foerster

No. 84-0079 — Resolution approving Modification No.6 to Agreement with Morrison and Foerster to increase by $250,000 the compensation payable for legal services in connection with small claims cases and anti-trust counseling.

Mr. Turpen said this was an extension to Morrison and Foerster's contract for an additional $250,000. He said that Mr. Harold McElhinney of that firm was present to answer any questions.

Commissioner Fleishell said that whatever action the Commission takes the actual amount of money spent will be determined in large part by the results of the executive session.

Commissioner Coblentz said this authorizes and sets a cap on the funds. The money will be expended subject to the Commissions' authorization that certain actions be taken. He explained that it does not necessarily mean the money will be expended.

Commissioner Bernstein asked if this exceeds the amount of money remaining for legal expenditures.

Mr. Turpen responded that he did not think so. It exceeds the amount authorized but not the budgeted figure. Legally the Commission must raise that ceiling of authorization by $250,000.

The following item was unanimously adopted.

6. Final Modification and Close-Out of Contract 1200B(3)-Boarding Area D - $215,507.15

No. 84-0080 — Final modification to close-out contract including adjustments to Bid Items and Force Account payments in accordance with City's Administrative Code.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

7. Approval of Sublease between American Airlines, Inc. and International Total Services, Inc.

No. 84-0081 — Resolution approving the sublease of North Terminal office space from American Airlines, Inc. by International Total Services, Inc. (Security 76.)

8. Statistical Adjustments 1983-84 Joint Use Billings under New Lease and Use Agreement.

No. 84-0082 — Resolution adjusting 1983-84 Joint Use Billing pursuant to Section 101.W of the new Airline-Airport Lease and Use Agreement for Hawaiian Airlines, Inc.

9. Bid Call: Contract No. 1591
Pavement Overlay of VIP Loading Area

No. 84-0083

Resolution approving the scope, budget and schedule for Airport Contract No. 1591, Pavement Overlay of VIP Loading Area, and authorizing the Director of Airports to call for bids when ready.

Construction time is 21 calendar days.

10. Bid Call: Contract No. 1592
Pavement Construction of Taxiway R at Plot 12

No. 84-0084

Resolution approving the scope, budget and schedule for Airport Contract No. 1592, Pavement Construction of Taxiway R at Plot 12, and authorizing the Director of Airports to call for bids when ready.

Construction time is 21 calendar days.

The following items was put over to the next meeting

11. Award of Contract No. 1582
Replacement of 12BANB-1
(Sta. BA to M.H. PDN009) - $83,535.00

Resolution awarding Contract No. 1582 to Edith M. Gardner Co., 14130 Washington Ave., San Leandro, CA 94577, in the amount of $83,535.00

This contract replaces an existing defective section of 12KV power distribution cable 12BANB-1.

Eight bids received on March 20, 1984, are as follows:

1. Edith M. Gardner Co.	$ 83,535.00
2. Kingston Contracting,Inc.	$ 97,970.00
3. Rosendin Electric, Inc.	$107,320.00
4. Delta Star Electric Co.	$124,395.00
5. Twisselman Electric,Inc.	$145,014.00
6. Fischbach & Moore, Inc.	$157,810.00
7. Arc Electric Co.	$158,467.00
8. Conex Electric, Inc.	$177,261.75

Construction time is 210 calendar days.

Commissioner Coblentz moved this item with the amended resolution awarding the contract to Kingston Contracting.

Mr. Dennis Bouey, Deputy Director for Facilities, Operations and Maintenance, explained that although the low bidder submitted the same subcontractor as the second low bidder it was not at the required percentage. The low bidder's MBE would be subcontracted out at about 15 percent of the total contract amount bid. The second low bidder's subcontractor would equal about 25 percent of the bid and qualifies under the Airport's MBE arrangements per the Administrative Code.

Commissioner Goosby asked if the company was owned by a woman or just named after one.

Mr. Bouey responded that the issue at hand was the subcontractor. He explained that initially they tried to qualify as a minority-owned business but failed.

Commissioner Goosby, correcting Mr. Bouey, said it was a woman-owned business.

Commissioner Kadish asked why it did not qualify.

Mr. Bouey responded that Mrs. Gardner was awarded a contractor's license about a month ago but her business address is the same as her husbands and she uses her husband's equipment. He said there were no investment sheets showing she owns her own company.

Commissioner Bernstein asked Mr. Gardner if he wished to address the Commission.

Mr. James T. Gardner said he and his wife, Edith M. Gardner, have been in the construction business since the end of World War II. He said they are principally in the airport lighting business and they began at San Francisco Airport, Oakland Airport and surrounding airports and that their business has grown to be international.

Mr. Gardner said that 80 percent of his employees are minority. He said that in San Francisco and throughout the state his company has been active in MBE participation and he has had a joint venture partner for many years. He added that his partner has since left to run another company.

Mr. Gardner said his company is down from 100 employees a year and a half ago to 34 and he feels it is a good faith effort on their part not to retire and leave his minority employees.

Mr. Gardner said it is very difficult to fulfill the 25 percent MBE participation that the City requires. He said that the electrician is the one trade that can impact the MBE participation. He said that his company no longer has MBE participation.

Mr. Gardner told the Commission that his wife has been active in the construction business for years and are both active in management. Mrs. Gardner has received a C-10 license as well as an engineering license and welding license yet Julie Yim of the Human Rights Commission has said that his wife was not qualified. Mr. Gardner said that his wife's license was issued on her own merits because of her many years of experience as a managing employer and a contractor. He said that his wife has negotiated contracts with companies throughout the world.

Mr. Gardner said that if Mrs. Gardner had owned 51 percent of their company they would have qualified as a woman-owned company. He explained that his wife decided to start her own company and take in two minority women but that Julie Yim said they were not qualified. Mr. Gardner said that perhaps they weren't qualified but with his wife's backing and her experience in business they really didn't care whether the partners were qualified or not. He said that according to the law, Julie Yim was right. Mr. Gardner said that he has read the book and he agrees with it but explained that according to the book Mrs. Gardner was supposed to pick from a list of minority contractors and establish a joint venture with a total stranger.

Mr. Gardner corrected a previous statement made and said his office and his wife's office were totally separate.

Mr. Gardner said that he objects to the influence of Local 6, the IVW. He said that on Friday afternoon at 3:30 p.m. Mr. Rick VanBurger, Business Agent of Local 6, phoned him and asked him if he was any relation to Edith M. Gardner. Mr. Gardner told Mr. VanBurger that he was not.

Mr. VanBurger then told Mr. Gardner that Edith M. Gardner was low bidder on an Airport contract but that she would not get it because she was not a union contractor. Mr. VanBurger said that the union has something to say about who gets contracts at the Airport and they will stop her at the Human Rights Commission level.

Mr. Gardner said that Local 6 has no jurisdiction over the Airport. He called the San Mateo local and asked why Local 6 would make such a call. He was told that since the contract was awarded in San Francisco Local 6 puts on the pressure. Mr. Gardner said that even though he was a union contractor he did not think the union should have a say in the award of a contract.

Mr. Gardner said that yesterday afternoon at about 3:30 p.m. the Human Rights Commission determined that Edith M. Gardner was not a minority woman-owned business. He said that at 8:00 a.m. this morning he called Local 6 and told Mr. Van Burger that Edith M. Gardner was not being awarded the contract but found that the union already knew all about it. Mr. Gardner asked if the union does in fact have any influence over the award of a contract. He asked the Commission to direct the City Attorney or the appropriate party to investigate this before any awards are made.

Commissioner Bernstein asked Mrs. Edith M. Garner if she wished to address the Commission.

Mrs. Gardner said she entered into the contracting business in good faith effort. She said that she had an RMO license. She told the Commission that when Julie Yim went to her office to qualify her she went out to her truck and stared at the license name, trying to read the name underneath. Ms. Yim asked Mrs. Gardner where she had purchased the truck and told her that since she had just started her business her husband had given it to her.

Mrs. Gardner said she met the minority participation by listing Gregg Ortiz, a cable splicer, and also listing a minority contractor to supply the racking and cable. She said that Ms. Yim disqualified him on the grounds that he did not have his own place of business. Mrs. Gardner explained that he is a free lance welder with his own truck and equipment and has supplied cables and done welding for them before. She told the Commission that he also manufactures the steel cans that house the component parts for the lights on the runway. She said that since the cans (50 or 60 of them) are heavy and difficult to handle they allowed him to build them in the back of their shop. Mrs. Gardner explained that this was why he was disqualified.

Mrs. Gardner felt that Ms. Yim's approach to her partners was a bit strong. She said that while her partners lack some experience they are very intelligent. Mrs. Gardner mentioned that her Vietnamese partner has difficulty with the language but is very good in her job yet she has been disqualified.

Commissioner Goosby asked Mrs. Gardner what percentage of the business was hers.

Mrs. Gardner responded that her Vietnamese partner, a woman, owned 47 percent and her Black partner, also a woman, owned 4 percent, and she owned 49 percent.

Commissoner Kadish asked if the Commission could make an official request to the Human Rights Commission to reconsider the points made today. She suggested the item be put over.

Mr. Turpen said he would ask for reconsideration of the low bidder.

Commissioner Bernstein asked why the low bidder was rejected.

Mr. Bouey responded that it was his understanding that the Human Rights Commission was not satisfied with the proof that this was a woman-owned business or that a minority-owned business enterprise actually constituted an investment in the organization.

Ms. Julie Yim, Human Rights Commission, said that the Edith M. Gardner Company submitted the low bid and a form certifying they were a minority-owned company. She said that she went to check on the company and found it was clear that it was not minority-owned. She explained at the time that they could make up the difference by picking up another subcontractor. She said that they did get another subcontractor but upon investigation found that his business was not autonomous and he was rejected.

Commissioner Bernstein asked if the 80 percent minority work force was significant.

Ms. Yim responded that the work force at the time of the award is irrelevant; it is not looked at until the start of construction. She explained that the ownership is the only consideration at the time of award and that this contract has a 25 percent minority business goal.

Commissioner Goosby suggested that this contract be given another look. He hastened to add that this was not a criticism of Ms. Yim's work but felt that the Commission should take precautions to be painstakingly fair in its evaluations of these contracts.

Ms. Yim asked if the Commission had a time frame in mind.

Commissioner Kadish responded that it should be done by the next meeting.

Mr. Turpen said he would make the formal request on behalf of the Commission to the Human Rights Commission.

12. Completion of Professional Service Agreement - McIntosh Laboratories

No. 84-0085 — Proposed resolution accepting the work as satisfactorily completed and approving final payment in the amount of $8,547.80.

13. Modification No. 3 to Professional Services Agreement - Associated Geotechnical Engineers

No. 84-0086 — Resolution approving Modification No. 3 extending the termination date of the agreement to December 31, 1984. No additional funds required.

14. Declaration of Emergencies
Airfield Power Cable and Power Cable Service Western Airlines

No. 84-0087

Proposed resolution declaring the existence of the emergencies in the airfield power cable failure and the failure of the power cable serving Western Airlines; directing the Director of Airports to effect the necessary repairs and requesting the Controller to certify funds needed to effect such repairs.

Airfield Power - $75,000
Power Cable (Western Airlines) - $75,000

15. Los Angeles International Airport's Crash and Mass Casualty Exercise - April 25, 1984

No. 84-0088

Consideration for Clayton S. Scott, Airport Operations Superintendent, to attend the Los Angeles International Airport's Aircraft Crash and Mass Casualty Exercise in Los Angeles, California on April 25, 1984

Total costs are estimated at $168.00

* * *

I. COMMUNICATIONS:

There was no discussion by the Commission.

* * *

J. TRAILING CALENDAR:

There was no discussion of trailing calendar items.

* * *

L. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 3:00 PM to go into closed session.

Jean Caramatti
Commission Secretary

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MINUTES

APRIL 17, 1984

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Vice-President
RUTH S. KADISH
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

Index
of the Minutes
Airports Commission

April 17, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		January 18, 1984	84-0090	3
D.		DIRECTOR' REPORTS:		
	1.	On-Airport Rental Car Negotiations		3-4
E.		ITEMS INITIATED BY COMMISSIONERS:		4-5
F.		POLICY:		
	2.	Policy - Religious Activities	84-0091	5-12
G.		POLICY REVIEW:		
	3.	Review of Policies Adopted by the Airports Commission during the period of January through April, 1983.		12-13
H.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	4.	Award of Contract No. 1582 Replacement of Cable 12BANB-1 (STA. BA to M.H. PDN009 $83,535.00	84-0092	13-15
	5.	Award of Contract No. 1164 Pavement Overlay and Reconstruction of Road R-2	84-0093	15-18
	6.	SFO Airporter Downtown Terminal/ Rescission of Previous Resolution		18
	7.	Airport Motor Coach Service Agreement/Bid Specifications and Pre-Bid Conference	84-0094	19
	8.	Long Term Parking Analysis	84-0095	19
	9.	Shoe Shine Service in Terminals	84-0096	19

Calendar Section	Agenda Item	Title	Resolution Number	Page
	10.	Transfer of $100,000 to Art Commission for Award of Contract to Charles Ross for the Design of a Model with the Option of Entering into Final Contract for the Production and Installation of a Skylight Prism Sculpture at the South Terminal	84-0100	19
	11.	Transfer of $3,000 to Art Commission for Contracts with Artists to Construct Maquettes for South Terminal Art Enrichment Program	84-0101	20
I.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	12.	Forum Communications - Extension of Time	84-0097	21
	13.	Approval of Sublease between Trans World Airlines, Inc. and U.S. Air	84-0098	21
	14.	Approval of Sublease between Air California and Alaska Airlines	84-0099	21
	15.	Tenant Improvement: Airport Hilton-Redecorate International Ballroom Facility T-2852	84-0102	21
	16.	Tenant Improvement: United Airlines Maintenance and Operations Center - Modify Boeing 727 Maintenance Facility Building 72 T-2851 - $500,000	84-0103	21
	17.	Bid Call: Contract No. 1600 Pavement Reconstruction Road R16	84-0104	21
	18.	Approval of Children's Art Exhibit	84-0105	22
	19.	Ratification of Declaration of Emergency-Upper Level Roadway	84-0106	22
	20.	Travel Request: Asphalt Institutes Short Course on Flexible Pavements - May 1, 1984	84-0089	22
J.		COMMUNICATIONS		22
K.		TRAILING CALENDAR		22
L.		CLOSED SESSION		3
M.		ADJOURNMENT		22

Minutes
of the
Airports Commission

April 17, 1984

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 2:00 P.M., in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Commissioners William K. Coblentz, Ruth S. Kadish, Z. L. Goosby, J. Edward Fleishell
Absent:	Commissioner Morris Bernstein

* * *

L. CLOSED SESSION:

The meeting adjourned at 2:01 P.M. to go into closed session and reconvened at 2:15 P.M.

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of January 18, 1984 were adopted by order of the Commission Vice President.

No. 84-0090

* * *

D. DIRECTOR'S REPORTS:

1. On-Airport Rental Car Negotiations

Report outlining status of rental car negotiations regarding;

1. Modified operating agreement and options;
2. Roadway vehicle headway control;

3. "Ready and Return" lot allocations;
4. Temporary Summer 1984 parking; and,
5. Long-range planning for locations construction of a jointly used parking structure.

Mr. Turpen said staff has been working with the rent-a-car companies in order to come to a modified agreement for a lease extension but that the current location and lack of space has impacted the discussions. The report clearly identifies what staff will be doing. He said there is a concensus of the rent-a-car companies to look at a remote area near the San Bruno exit for a long term location for the rent-a-car facility. He said this would be a multi-story rent-a-car return and pick-up location and would require an EIR. He said that this is the only area available on the Airport to begin planning for the future with respect to rent-a-cars. He said that if, at some future date, the West of Bayshore property becomes available then this current planned facility will be available for long-term parking in the vicinity of the existing long term lot.

Mr. Turpen said that staff will move forward with a plan and return to the Commission as the idea is developed.

Commissioner Kadish asked if this was as a result of the April 10 meeting.

Ms. Angela Gittens, Deputy Director for Business & Finance, said that at the April 10 meeting there seemed to be an agreement and Hertz asked that their rejoinder to the Director's Report be sent to the Commission. She said that some substantial changes will be made in the resolution and returned to the Commission on May 1st. She said that the lot location was the main bone of contention and there is no agreement on the long-term plan, though there is agreement on the fact that the long-term problem must be addressed.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Kadish said that some time ago she had asked for a report on regular procedures used to monitor Airport facilities and if no procedure exists then one should be developed. She asked that it be calendared for the next meeting.

Commissioner Kadish said that on January 18 it was decided that there was to be a report at the next meeting on the use of the nursery and whether or not it would be continued. If the decision was to continue it then it was to be listed in the Airport brochure.

Commissioner Kadish said the Commission was supposed to receive a mock-up of the brochure but has not yet received it.

Commissioner Goosby asked that the Commission receive copies of the proposed Civil Service Charter changes. He also asked that when the Human Rights Commission makes recommendations to deny the low bidder that the justification for the recommendation be included.

* * *

F. POLICY:

The following item was unanimously adopted. A verbatim transcript of the discussion follows.

2. Policy - Religious Activities

No. 84-0091 — Resolution declaring that it is the policy of the Airports Commission not to provide space at San Francisco International Airport for the conduct of religious activities, except as specified by its Rules and Regulations relating to First Amendment activities.

Commissioner Kadish moved for approval of the item and Commissioner Goosby seconded the motion.

Mr. Richard Levine, Attorney for the Christian Science Reading Room: When I last came before the Commission, on behalf of the Reading Room, you did three things: you gave us permission to file a legal brief. We have done so. You tabled the resolution, which is before you again today and you instructed us to meet with your counsel. In response, we submitted the brief, which you have all received. We believe that that brief addresses all pertinent legal issues and we believe that that brief establishes that under Constitutional Law, as it has been interpreted by the Supreme Court of the United States, the continuing presence of the Reading Room does not represent an establishment of religion and cannot be found to violate any provision of the California Constitution.

We attempted, on a number of occasions, to meet with your counsel. Your counsel was not disposed to meet with us. We were disappointed by that because we had hoped to initiate some sort of dialogue in the event that your counsel still had questions remaining after receipt of our brief. I am prepared to have that dialogue now, should anyone wish. Beyond that, I don't know what more I can say beyond what we have put in the brief. We continue to hope that the Commission, now being perhaps more fully informed of applicable law than they were before we submitted our brief, might withdraw this resolution and withdraw the eviction procedures which they have initiated against the Reading Room.

Commissioner Coblentz: Mr. Turpen

Mr. Turpen: Members of the Airports Commission. There are really two issues involved in the Christian Science Reading Room. The first is a question of continued occupancy of space in the South Terminal facility; a facility which is scheduled for modernization very shortly, or, an area which is scheduled for modernization very

shortly. The second issue is an issue of a continued tenancy at the Airport in some alternate location. The policy before you addresses the second issue, an issue of continued tenancy at the Airport in some alternate location.

With respect to the first issue, the Christian Science Reading Room is on a 30-day cancelable permit at the discretion of the Airport Director. In April 1981, in 1982, '83 and again in January of 1984 the Christian Science Reading Room Board of Directors were notified that the Christian Science Reading location in the South Terminal would have to be closed sometime in early 1984 coincident with the impact of the modernization program. The election of the Airport staff at that time was to allow the Reading Room to remain up until the last possible moment and we have accomplished that. However, on May 1st the area in question will be impacted by a $100-million South Terminal Renovation Program, a fact which has been known in excess of three years. This is not an eviction it is simply a termination of a 30-day cancelable permit by the Director of Airports. That action has been taken. The construction program will impact that area on or about May 1st.

With respect to the second issue, the location of alternate space, there are two factors to consider. One is the impact of the 1973 EIR which limits the building envelope. The Airports Commission, through that EIR, is allowed only to construct so much terminal space. In addition, as the Commission is well aware, there has been significant demand for that terminal space by many of the carriers operating out of San Francisco International. Space is, to say the very least, at a premium and becomes more so each day with increased demand and, of course, is compounded by closing down a section of the South Terminal Boarding Area A for the modernization program. So the availability of space is a concern. In allocating the space resource it's important to recognize what demands are placed upon the Airport by the airline community and those activities attendant to and necessary to the smooth flow of passengers through the Airport facility.

Therefore, I would recommend to the Airports Commission that, with respect to this policy, this policy be passed by the Airports Commission. It is my further recommendation that we continue to and make our best efforts to dedicate that space at the Airport for those activities directly involved in support of air transportation.

With respect to the first item, the construction program has foreclosed any alternatives in a continued occupancy of the South Terminal and I am available to answer any questions the Commission might have.

Commissioner Coblentz: Does any member of the Commission have any questions they want to ask.

Commissioner Kadish: One question. It's my understanding that this is already the policy of the Airports Commission. Why do we have it appearing before us again. Or, is this a reenunciation?

Mr. Turpen: The policy enunciated by the Airports Commission in, I believe Commissioner Kadish, 1980 or '81 resulted from the demands on space and the impact of the closure of the Central Terminal. At that time it is my recollection that the policy stated that there would be

no activities which were not directly in support of air transportation and the movement of passengers through the terminal in that original policy. This policy simply is a further enunciation of that concept. It is consistent with that policy but specific to this issue.

Commissioner Coblentz: I'd like to ask a couple of questions. I read in the media that the Christian Science Reading Room will be replaced by a bar. Is that true.

Mr. Turpen: No, Commissioner Coblentz, it is not true. I can ask Angela to comment specifically on what the space will be used for but it is my understanding that it will be used for a major sit-down restaurant in the South Terminal; something that our passenger surveys have indicated as necessary and have indicated that has been necessary for a long time.

When the media brought that to my attention I did point out to the media that that was not correct but evidently the media did not fully understand how the space was going to be developed.

Commissioner Coblentz: If you go over the legal obstacles, whatever they may be, is there any space available?

Mr. Turpen: I think there are two answers to that question. Today, I'd say no because of the impact of the South Terminal modernization and the very, very significant demand for space. This summers activities are compounding that problem with the Convention, the Olympics and, of course, the national election coming up. After the completion of the modernization program would there be any space available? Very possibly there would be space available but at this point I would not want to allocate a resource prematurely and then be denied access to that resource when I need it for airline support or direct passenger support.

Commissioner Fleishell: The need for this new larger restaurant in the South Terminal is occasioned, in part, by the closure of the major restaurant at the Airport in the Central Terminal.

Mr. Turpen: There were two things, Commissioner Fleishell. That's exactly correct. The International Room Restaurant was closed. In addition, the passenger surveys for the past three years have indicated a very significant need for a major food facility in the South Terminal. It's one of our busiest areas on the Airport.

Commissioner Fleishell: Let me just make one comment. I'm going to vote for this but I do it very reluctantly. First of all, from a legal standpoint, I think Mr. Levine has done an outstanding job. I agree with his conclusion. Legally, I don't see that we suffer any great problems. The practical side is that we have turned down other religions. We don't have any space and we have to be fair and I will (interrupted).

Commissioner Coblentz: Mr. Levine.

Mr. Levine: In the first place, much of what Mr. Turpen says is not material to the questions presented to this Commission. The Reading Room is willing to take alternative space. If you want to extend the bar, whether you call that extension a restaurant or not, relocate us. We're talking about 450 square feet. Questions relating to (he was interrupted by Commissioner Coblentz.)

Commissioner Coblentz: Let me ask a question. I don't know any of the facts here. Suppose you got 450 square feet on the fourth floor, would that be satisfactory?

Mr. Levine: I can't speak for my client at this point. I can't say that it wouldn't be satisfactory.

Commissioner Coblentz: You would be off the main stream.

Mr. Levine: As I said, I cannot respond to that question at this point. If the offer is made, I'll communicate it.

I would like to speak to some of the issues.

Commissioner Kadish: Was it an offer or a question?

Commissioner Coblentz: It was a question.

Mr. Levine: First of all, with respect to the 30-day cancelable permit, or, the month to month tenancy, as Mr. Turpen has characterized it, it is my understanding that that is not only true of the Reading Room; that that is true of other tenants in the Airport. The decision to terminate one tenant and not relocate that tenant while relocating all other similarly situated tenants cannot be justified (interrupted by Commissioner Coblentz.)

Commissioner Coblentz: Hold it. Let's get the answer to that.

Commissioner Kadish: Agreed.

Commissioner Coblentz: One of the best justices I ever heard and read said to go from step to step.

Mr. Levine: Fine.

Mr. Don Garibaldi, Airports General Counsel: The response to that is that it's my understanding that we have already closed a flower shop in the South Terminal and we've also closed a barber shop in the South Terminal; not relocating them, we just simply close them down because, again, of the space problem.

Mr. Levine: Okay. That information is news to me. Be that as it may, the stated concern of this Commission and the express written position of this Commission, and a position, Commissioner Coblentz, that you yourself expressed at our last session, is that by maintaining the Reading Room at the Airport you risk a violation of some church-state constitutional principle. Now, unless I misunderstand, Commissioner Fleishell has already stated that he is persuaded by our brief that that is not, in fact, the case. Subsequent rationals that are proposed now would not seem to me to be terribly persuasive. In any event, as I state in the brief, the decision to terminate the Reading Room, based upon the Reading Room's religious affiliation and the content of the Reading Rooms speech is a decision which cannot properly be made.

With respect to Mr. Turpen's comments about the building envelope or the limits of space, I don't have the facts on that. We obviously have not had discovery in this proceeding. However, there have been statements made by representatives of the Airport, at least as recently as February, 1983, when in a meeting of existing tenants Mr. Conrad stated that there was much space available. That space would not only be available in the new Central Terminal but that there was space available in the South Terminal. Perhaps more space than the Airport could rent in the bottom floor of that South Terminal.

Mr. Turpen's statement today, which seems to me to be rather vague, is directly contradictory to that. I'm curious as to what the real facts are. As I said, we're only talking about 450 square feet.

Commissioner Kadish points out that in her view the Commission's already had a policy such as the resolution that is before you today. That may well be true. I don't know. What is true, however, is that the Commission has lived with a relationship with the Reading Room, a relationship by no basis different than its relationship with any other tenant, for 27 years. Moreover, it's been three years since the Commission first issued its notice that they were concerned about a church-state issue here. If you are now no longer concerned we cannot see any good faith reason, in line with the authorities that we've cited, to discriminatorily choose the Reading Room for eviction rather than relocation.

If there are no more questions that's the end of my presentation.

Commissioner Coblentz: Thank you. Does anybody here have any.

Mr. Turpen: I have nothing further.

Commissioner Goosby: There are no other speakers. I agree with Mr. Fleishell. I think that fairness demands that we establish this if we haven't voted on that policy resolution which has been discussed for sometime. We vote on it and establish it. But fairness would demand that, if it behooves the City, that they want a Reading Room

or some religious area which people can practice and read their particular material then I think we can address that, in keeping with the policy that we have. There are other religions, I am sure, just waiting, especially with the publicity that has surrounded this, just to see what this Commission does. We had a request the Christmas before last from a religious group who wanted to come into the Airport. We had a request from the Catholic Archdiocese, not the Archdiocese but a Catholic person who wanted to put in a chapel. The Krishna sect went all the way to the Supreme Court. As a result of that we have established, in trying to be fair and constitutional, booths in designated areas, designated by the Director, where solicitation of funds and literature can be passed out to passengers using the Airport, but from an isolated area rather than people just parading through the Airport doing it. So there has been attention and an attempt to do this but those would be my reasons, and certainly nothing to do with the church-state issue, but the fairness and justice of it and to treat other people like you want to be treated.

Mr. Levine: May I have the Commission's indulgence for one more thing.

Commissioner Coblentz: Sure.

Mr. Levine: The point is whether the Commission is going to be confronted with a lot of applications from other groups to rent space on the same basis that the Reading Room has rented for all these years. There are really two points to be made: one is that the Reading Room is not given that space, the Reading Room rents that space and the rental is not cheap. I do not know how many other applicants which are religiously affiliated have sought to rent space on the same terms and conditions as other tenants at the Airport but I suggest that if they haven't been, the concern about being inundated with other groups may be illusory.

The second point is this: under the case law, as we read it, the Commission's duty is to enact some kind of content-neutral, non-discriminatory basis to accept new tenants. That means that the Commission ought not to make a distinction between application for new tenancies, between groups that are religiously affiliated or groups that happen to make religious expression available in the Airport and groups that are not religiously affiliated or groups that purvey other types of literature. The Reading Room does not suggest for a moment that other religious faiths who wish to have facilities in the Airport ought to be excluded. We believe that you can no more exclude them than you can exclude the Reading Room. The issue is, must the Commission have a content-neutral, non-discriminatory set of criteria to apply to tenancies.

Thank you.

Commissioner Coblentz: It seems to me that I agree with Ed Fleishell. This is an excellent brief; I've even read the cases. If we granted the Christian Science Reading Room the right to continue I don't think there'd be any problem, I think we could withstand the legal challenge here. They pay rent; they pay the reasonable rent that others pay; they've been there for 27 years and have almost a

pre-emptive right. This Commission is neither against nor promotive of any religious group. But what we have here, and the real facts are what we're supplied with by staff, is a practical problem. The practical problem, as I understand it, is space availability. It seems to me, legally speaking, if we in good faith so state that we have and can prove that we have a space problem, that we have not arbitrarily or capriciously terminated the flower shop and the barber shop and others, and what we are trying to do is enlarge a particular space than I think we're on good grounds. Maybe later on, and I'm not thinking of the question of other religious groups coming in because I doubt many of them could afford to pay for the rent on this kind of space, but on the other hand if its true that we do have this space problem then I don't think we're acting in an arbitrary manner and I think it could be fully upheld.

Does anybody else have a question.

Commissioner Kadish: Call for the question.

Mr. Levine: Commissioner Coblentz could I respond to that last statement.

Commissioner Coblentz: Sure. Then that's it.

Mr. Levine: Okay. I hear in there a grain of what may save us steps. Would it be possible to relocate the Reading Room on a temporary basis to give your staff and perhaps, if you would put procedures in place, to give us an opportunity to develop those facts so we can, in fact, find out which of the various contradictory statements that have been made about the availability of space at the Airport are true.

Commissioner Coblentz: Well, as I understand it there are two things. First, they want you out not because you're the Christian Science Reading Room or anything else; there has to be work done in the South Terminal. That's a given. As far as temporary, I just don't know. And I think that puts everybody in a difficult position too because I don't want a stopple here or anything else if somebody gets in.

Mr. Levine: I can appreciate that and I appreciate your concern about wanting to get on with your renovation but you know the policy here you're enacting is based upon religious activities and the notion of the renovation simply does not (interrupted by Commissioner Coblentz.)

Commissioner Coblentz: Is it your desire that you stay in this space, because it just can't be done.

Mr. Levine: As I said last time we came together, as I said in the brief and as I said here today it is the Reading Rooms desire to have an appropriate space in the Airport, it is the Reading Rooms desire to be treated like its co-tenants have been treated. The Reading Room has no objection to being relocated to an appropriate space.

Commissioner Coblentz: The flower shop and the barber shop have not been.

Mr. Levine: Commissioner Coblentz I don't know what considerations were involved in the flower shop and the barber shop. This is something I've never heard about; this is something I would want to investigate. As I said, the record in this matter, the resolution that's on the table today, your own statements, sir, establish for me, and I think would establish for any other fact finder, that the basis on which this Commission has at least proported to make this decision is the religious affiliation of the Reading Room. I don't think that anything that is done from this point on can change that record.

Commissioner Coblentz: Well, I think they've called for the question and that's it. But I completely disagree with you and it has nothing to do with religion here but maybe I didn't make myself clear. A lot of judges have said the same to me before so we'll go on. The question has been called for. That's it.

(The roll was called.)

Commissioner Coblentz: Yes.

Commissioner Kadish: Yes.

Commissioner Goosby: We're voting for the resolution. Yes.

Commissioner Fleishell: Yes.

* * *

G. POLICY REVIEW:

3. Review of Policies Adopted by the Airports Commission during the period of January through April, 1983.

Mr. Turpen said the items are presented for the Commission's review and comment today and if it is felt that the policies are accurately stated they will be presented to the Commission at the next meeting in resolution form.

Commissioner Kadish asked that the policy stating: "No concessions will be authorized at the Airport without the approval of the Airports Commission" be amended to read "including those on permits based on the temporary nature of them."

Mr. Turpen said that will be taken care of but the key word in the resolution is "no."

Commissioner Kadish asked that the policy dated February 1st be reworded to read "...to conduct a holiday festival annually" and not "...to annually conduct a holiday festival."

* * *

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

A revised resolution was submitted to the Commission awarding the contract to the second lowest bidder and was unanimously adopted.

4. Award of Contract No. 1582
Replacement of Cable 12BANB-1
(STA. BA to M.H. PDN009
$83,535.00

No. 84-0092

Resolution awarding Contract 1582 to Edith M. Gardner Co., 14130 Washington Avenue, San Leandro, Ca 94577, in the amount of $83,535.00

This contract replaces an existing defective section of 12KV power distribution cable 12BANB-1.

Eight bids received on March 20, 1984, are as follows:

1. E.M. Gardner Co.	$ 83,535.00
2. Kingston Contracting	$ 97,970.00
3. Rosendin Electric	$107,320.00
4. Delta Star Electric	$124,395.00
5. Twisselman Electric	$145,014.00
6. Fischbach & Moore	$157,810.00
7. Arc Electric	$158,467.00
8. Conex Electric	$177,261.75

Construction time is 210 calendar days.

Commissioner Coblentz asked what the Human Rights Commission recommended.

Mr. Dennis Bouey, Deputy Director for Facilities, Operations and Maintenance, said that the Commission extended to Edith M. Gardner Company the courtesy of referring this matter back to the Human Rights Commission for further review. The staff concurred with the previous recommendation of the Human Rights Commission. Edith M. Gardner Company had appealed it to Grant Mickens (HRC) who ruled that they have not met the MBE qualification. He therefore recommended awarding the contract to Kingston Contracting.

Commissioner Coblentz said that although two individuals want to address the Commission, the Commission will not overrule the finding of the Human Rights Commission. He said that although the Commission may disagree with the Human Rights Commission from time to time it is the policy of the Airports Commission to follow their recommendation.

Mr. Frank Yap, attorney for Edith M. Gardner Company, expressed surprise at Commissioner Coblentz' statement that the Airports Commission would not overrule the Human Rights Commission.

Commissioner Kadish told Mr. Yap that the Human Rights Commission decision cannot be overruled.

Commissioner Goosby said that Grant Mickens' decision can be appealed to the Human Rights Commission but the Airport cannot overrule the decision.

Mr. Garibaldi said that the Human Rights Commission is the agency that determines affirmative action issues for all City departments.

Mr. Yap stated for the record that they have reviewed the Human Rights Commission's decision and feel that the determination is arbitrary and capricious. He said that they merely listed an evaluation and somehow have connected the evaluation with a determination that his client should be rejected.

Commissioner Coblentz said that Mr. Yap's recourse was the courts.

Commissioner Kadish asked where the Airport stands if the contract is awarded to Kingston and the Human Rights Commission reverses its decision on an appeal by Mr. Yap and Mrs. Gardner.

Mr. Garibaldi responded that he was not sure what recourse Mr. Yap and Mrs. Gardner had before the Human Rights Commission. The Airport is satisfied that the Human Rights Commission decision is sustainable and the contract can be awarded to Kingston. If they sue they would only have a claim for damages for lost profit.

Mr. Yap asked if the Commission had the authority to reject all bids. He said it was unfair to award the contract to the second lowest bidder if the Human Rights Commission has acted arbitrarily and capriciously.

Mr. Garibaldi responded that the Airports Commission had the authority in all cases to reject all bids.

Mr. Yap said that he felt he should present his case on behalf of Edith M. Gardner Company in the hopes that the Airports Commission will see that the Human Rights Commission acted arbitrarily and capriciously and not award the contract to the second lowest bidder.

Commissioner Coblentz responded that he has read all of the material and does not feel that the Human Rights Commission acted arbitrarily and capriciously.

Mr. Yap said that the Human Rights Commission sets certain guidelines for MBE percentages and his client has satisfied all requirements. He presented the Commission with a document stating their position and showing that the Human Rights Commission has not considered Edith M. Gardner in a fair light. He said that the Human Rights Commission has somehow entered into the determination with a preconceived notion that the Edith M. Gardner Company cannot be an MBE for reasons unknown. In addition, the Human Rights Commission has reversed its original decision and determined that Robert Fields of Fields

Welding, a supplier for Edith M. Gardner, was a proper MBE, but not for this contract. He said that Mr. Fields has about 50 percent of the contract as a supplier and is a minority yet the Human Rights Commission has not stated why he is being rejected. He said that based on Mr. Fields as an MBE supplier the Edith M. Gardner Company is properly qualified with the appropriate MBE percentages and should be awarded the contract.

Commissioner Goosby said that in a letter from the Human Rights Commission to Lou Turpen, Grant Mickens did reverse a decision and declare Mr. Fields an MBE welder, however, he is not a bonafide supplier. He said he will go along with the recommendation and felt that the fight must be before the Human Rights Commission. Commissioner Goosby said that the Human Rights Commission has had far more experience in assessing these contracts and it's not wise to start second-guessing them in this. He did feel that there are grounds for a second look by the Human Rights Commission.

Mr. Robert Fields, Fields Welding, said it was his understanding that as a supplier he must take possession of the merchandise or he would be considered a broker. He said if the material is purchased through Bayside, a bonafide minority contractor, full credit would be received; if purchased from Robert Fields Welding Company only 5 percent credit would be received.

Commissioner Coblentz said that these questions should be addressed to Grant Mickens.

Commissioner Kadish regretted that the Commission's hands were tied because she would vote in favor of the Edith M. Gardner Company. She hopes Mrs. Gardner appeals to the Human Rights Commission for reconsideration.

The following item was adopted by a 3-1 vote with Commissioner Kadish casting the dissenting vote.

5. Award of Contract 1164
Pavement Overlay and Reconstruction of Road R-2

No. 84-0093 — Resolution awarding Contract No. 1164, Pavement Overlay and Reconstruction of Road R-2, to The Lowrie Paving Company, Inc., P.O. Box 2465, South San Francisco, Ca 94080, in the amount of $381,980.00.

Construction time is 30 calendar days.

Commissioner Kadish felt it inadviseable to go to the fourth bidder in this instance and that the preferable action would be to reject all bids.

Commissioner Coblentz asked if there was a time constraint.

Mr. Bouey responded that there was not enough time to refer it back to the Human Rights Commission. The contract is scheduled to be completed before the summer rush and the deadline date is the Memorial Day weekend.

Mr. Bouey said he would like the contract to go forward. He would concur with Commissioner Kadish's recommendation if it were found that any of the complainants' arguments had merit.

Commissioner Coblentz asked what the difference was between the low bid and the fourth bid.

Mr. Bouey responded that the difference is approximately $13,000. The low bidder is not protesting, but the second low bidder, Bay Cities, is. The difference between Bay Cities and the fourth bidder is $6,000.

Commissioner Kadish felt that a travesty is made of the bidding process by dropping down to the fourth bidder. The Commission has a responsibility in terms of maintaining credibility in the construction industry to not be party to such an action.

Mr. Bouey agreed with Commissioner Kadish but said that this is an FAA contract which not only has an MBE requirement but a WBE requirement as well. He said that often times, as in this case, the Airport encounters bidders new to the City and not aware of all the rules, which are spelled out in the specifications.

Commissioner Kadish said that the Airport pays over $100,000 for Human Rights Commission monitoring and she felt that the function of the Human Rights Commission in this instance is not merely looking for bidders who do not meet the requirements but to aid all bidders in fulfilling the requirements. She suggested that steps should be taken to insure that positive action takes place rather than just the negative.

Mr. Bouey responded that he and Jason Yuen have spent time trying to do just that. He said that once you start qualifying people, in this case subcontractors, you are revealing the dollar amounts that they are going to bid with the contractor thereby throwing off the bid process. He said that he and Jason Yuen are concerned about this and if a way could be found they would be happy to explore it. He said that he understood Commissioner Kadish's concerns and agreed with them.

Commissioner Goosby asked if Julie Yim of the Human Rights Commission worked with bidders having difficulty meeting goals.

Ms. Yim responded that she makes herself available throughout the time of the bid as well as the first five days after the bid opening to give suggestions of names of companies offering the type of work a bidder is looking for without revealing the dollar amount. She explained that even when a bidder makes an error they are given one chance to make up the deficiency. If the bidder does not comply the second bidder is looked at.

Mr. Gary Selvin, Attorney for Bay Cities, said that he has spoken with Grant Mickens, Stanley Lim and Julie Yim of the Human Rights Commission, the City Attorney's Office and he made an effort to speak with Mr. Turpen. He said that the second bidder does qualify and has met all of the requirements but they will not consider the WBE that Bay Cities submitted. He said that the Commission has the authority to extend the time within which the WBE can be submitted.

Mr. Garibaldi remarked that the Affirmative Action Program of the Human Rights Commission does provide that an extension of time can be granted either by the Human Rights Commission or the Airports Commission.

Commissioner Coblentz asked Mr. Bouey what would happen if this contract was put out to bid again.

Mr. Bouey responded that the bid call would be sometime in July and the construction would be scheduled for August or September. He wanted to avoid doing the work in June or July because of the Convention. He explained that this is the overlay of the entire R-2 road from the Airport Hilton back to the Millbrae gate.

Commissioner Coblentz assumed that if the contract was rebid the cost would increase.

Mr. Bouey said that according to the Wall Street Journal the suppliers' and producers' costs are going up and most companies are working around the clock to beat the cost of inflation.

Commissioner Fleishell asked how long it would take to get Human Rights Commission approval.

Mr. Selvin responded that Julie Yim could certify right now.

Ms. Yim said that an extension of time can be requested after the initial five days allotted to submit documents but not the day before the award of the contract.

Mr. Selvin recapped the sequence of events and said that Bay Cities submitted a name of a WBE which was rejected by the Human Rights Commission on the grounds that she did not actually drive the truck although she did control the business interest and make financial decisions in concert with her husband. He said that the contract does not require that the WBE manager be involved in the physical labor. He felt that there was a wrongful rejection of the company.

Commissioner Coblentz asked, assuming that the Human Rights Commission made a wrong decision, what power the Airport had.

Mr. Garibaldi again explained that it was a Human Rights Commission decision and the Airport is bound to that decision. Any challenge must go back to them.

Mr. Selvin said that the third person submitted was rejected for timeliness and that is within the Airport's jurisdiction.

Mr. Garibaldi said that the Airport could extend the time in which to comply.

Commissioner Kadish recommended that if the Commission grants an extension of time and the Human Rights Commission accepts the WBE of the second bidder that the contract be awarded to the second bidder.

Mr. Selvin said that last Friday Bay Cities presented a contract signed by a woman trucker from Nu-Pel Trucking, an independent contractor meeting WBE requirements. He said he did not understand why Grant Mickens would not certify her four days before the bid date.

Commissioner Coblentz asked Mr. Lowrie of The Lowrie Paving Company, Inc. if he wished to address the Commission.

Mr. Lowrie said the facts in this case are similar to the ones in Contract 1371, Reconstruction and Overlay of Runway, about two weeks ago. He said he did not issue a protest to the Commission at that time regarding awarding the contract to McGuire and Hester but he did contact the Human Rights Commission. He said that the Human Rights Commission based its recommendation on the greatly inflated goals for trucking.

Mr. Lowrie said that there was no way a general contractor could meet the goals of 15-16 percent without using an MBE subcontractor for some portion of the project. He said that he is certain that Bay Cities has presented a figure of about $50,000 for their entire MBE goal but by his estimate there is only $18,000. He said that the first, second and third bidders did not list any MBE or WBE subcontractors at the time of bid. Lowrie Paving was the only bidder to secure sub-bids from MBE contractors. These additional costs, in part, resulted in their placing fourth on the list.

Mr. Lowrie said that Bay Cities has been low bidder on many projects in which Lowrie has also bid. He said that in practically every case where Lowrie has been the second bidder he knows that they (Bay Cities) have based their goals on the trucking which has not been fulfilled by minority or women truckers.

Commissioner Kadish remarked that this was not a problem for the Airports Commission.

Mr. Lowrie said that the goals which Bay Cities was proposing cannot be met.

Commissioner Goosby told Mr. Lowrie that although he brought up some good points the Commission cannot take the emotional appeals and second guess the Human Rights Commission, the responsible City agency with years of experience.

Commissioner Goosby also said that with the ordinance just passed by the Board of Supervisors calling for 30 percent goals and set-asides, the Human Rights Commission should hold a meeting with City departments to explain what the new responsibilities of each City department are and how the Human Rights Commission anticipates implementing the ordinance.

Commissioner Goosby also thought that each department should receive a copy of the ordinance as signed by the Mayor. He suggested that Mr. Turpen contact Grant Mickens about a meeting.

Mr. Turpen said that Julie Yim told him the five-day period for compliance terminated on March 27. He said he would contact the Human Rights Commission to clarify the language of the rule and eliminate the impression that continuances and postponements could be granted until an appropriate subcontractor could be found. He said that based on Mr. Bouey's comments he would recommend to award the contract to the fourth lowest bidder.

The following item was put over for two meetings.

6. SFO Airporter Downtown Terminal/Rescission of Previous Resolution

Resolution rescinding Airports Commission resolution no. 79-0369, regarding SFO Airporter's construction of a downtown San Francisco terminal.

Commissioner Fleishell asked that this item be put over to enable some settlement discussions to be commenced.

The following items were unanimously adopted.

7. Airport Motor Coach Service Agreement/Bid Specifications and Pre-Bid Conference.

   No. 84-0094 — Resolution approving specifications of an Airport Motor Coach Service Agreement and authorizing staff to hold a pre-bid conference for same.

8. Long Term Parking Analysis

   No. 84-0095 — Resolution authorizing staff to begin development of an Airport Long Term Parking Expansion program, including the development of specifications for an RFP, and the initiation of the interviewing and selection process for a consultant firm required for the feasibility and environmental analysis necessary for the program.

   Commissioner Coblentz commented that it makes a great deal of sense and that it was about time.

   Commissioner Kadish agreed.

9. Shoe Shine Service in Terminals

   No. 84-0096 — Resolution approving the month-to-month tenancy for the shoeshine operators in each Terminal until the award of new leases for each Terminal service.

The following items were unanimously adopted as amended.

10. Transfer of $100,000 to Art Commission for Award of Contract to Charles Ross for the Design of a Model with the Option of Entering into Final Contract for the Production and Installation of a Skylight Prism Sculpture at the South Terminal.

    No. 84-0100

    Commissioner Kadish asked that the phrase "...subject to contract approval" be added to the final resolve. She said that the Commission has neither seen or approved a contract and to adopt the resolution without that proviso would be a mistake.

    Mr. Yuen suggested that it be subject to the approval of the staff rather than the Commission.

    Commissioner Kadish agreed that it would be at the approval of the committee and the staff.

    Commissioner Goosby asked if samples of Mr. Ross' work could be seen.

    Commissioner Kadish responded that samples were available for Commission review and were at the meeting.

11. Transfer of $3,000 to Art Commission for Contracts with Artist to Construct Maquettes for South Terminal Art Enrichment Program.

No. 84-0101 Artists selected and contract amounts:

Jerome Kirk	$1,500
Helen Escobedo	$1,500

Commissioner Fleishell asked if the Airport would own the maquettes.

Commissioner Kadish offered the following amendments to the resolution. In the second whereas, the third line should read: "...can be constructed, (remove the "and") submitted for consideration, and returned to the artist." She said that the current thinking is that maquettes that are developed are merely idea presentations and are the property of the artist and that is why a relatively nominal amount is paid.

Ms. Claire Isaacs, Director of the Art Commission, said that it has been the policy to return the maquettes to the artist.

Commissioner Fleishell said this question was raised several years ago and it has been his experience that when an artist is paid for an idea he does not retain ownership of a maquette. He said that he had asked that Commissioner Bernstein be present when a vote was taken.

Ms. Isaacs responded that in view of the fact that the art work becomes the responsibility of the Art Commission the disposition of the maquette would also fall to the Art Commission.

Commissioner Fleishell disagreed and asked who owns the art at the Airport.

Ms. Isaacs responded that the City owned the art.

Mr. Turpen said that the Commission took a position in the matter of the maquettes two or three years ago.

Commissioner Kadish said that prior to the Central Terminal, maquettes in the North Terminal became the property of the City. However, the City never retained the maquettes. The artist kept them or the Art Commission retained them or, if they were made of a flimsy material, they fell apart. Based on that, it was decided for the Central Terminal that a nominal sum would be given to the artist for his idea and he would keep the maquette and use it as a working model. She said that prior to that time $10,000 might be paid for a maquette rather than $1,500.

Commissioner Coblentz suggested that the following be added to Commissioner Kadish's proposed resolve: "...and said maquettes shall become the property of the City."

Commissioner Coblentz said that he and Commissioner Kadish were very excited about the Charles Ross piece.

Ms. Isaacs asked that the record show that she is not familiar with this policy, it has not come up before and she did not attend the meeting expecting to address the problem. She said she could not comment until she had further information about the procedure, understands its history, the policy of the Art Commission and the legal ramifications of retaining the artist's work as opposed to returning it.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

12. Forum Communications - Extension of Time

No. 84-0097 — Resolution to modify contract between City and Forum Communications, Inc. for Computerized Ground Transportation Information System, extending term of contract by three months.

No additional cost to the City is incurred by this modification.

13. Approval of Sublease between Trans World Airlines, Inc. and U.S. Air

No. 84-0098 — Resolution approving the sublease of certain South Terminal space by Trans World Airlines, Inc. to U.S. Air.

14. Approval of Sublease between Air California and Alaska Airlines

No. 84-0099 — Resolution approving the sublease of North Terminal office space from Air California by Alaska Airlines.

15. Tenant Improvement: Airport Hilton
Redecorate International Ballroom Facility
T-2852

No. 84-0102 — Resolution approving plans and specifications and authorizing construction.

No rental credit.

16. Tenant Improvement: United Airlines Maintenance and Operations Center - Modify Boeing 727 Maintenance Facility Building 72
T-2851 - $500,000.

No. 84-0103 — Resolution approving plans and specifications and authorizing construction.

No rental credit.

17. Bid Call: Contract No. 1600
Pavement Reconstruction Road R16

No. 84-0104 — Resolution approving the scope, budget and schedule for Airport Contract No. 1600, Pavement Reconstruction Road R/16 and authorizing the Director of Airports to call for bids when ready.

18. Approval of Children's Art Exhibit

No. 84-0105 — Proposal from Congressman Tom Lantos and the San Mateo Unified School District for exhibition, "My American Dream", North Terminal, May 24 to September 15, 1984.

19. Ratification of Declaration of Emergency - Upper Level Roadway

No. 84-0106 — Proposed resolution declaring the existence of an emergency on the upper level roadway, directing the Director of Airports to effect the necessary repairs and requesting the Controller to certify funds needed to effect such repairs - $4,000.

20. Travel Request: Asphalt Institute Short Course on Flexible Pavements - May 1, 1984

No. 84-0089 — Consideration for Chung Tam, Airport Engineer, to attend the Asphalt Institute's Short Course on Flexible Pavements to be held in Denver, Colorado May 1 to 3, 1984.

Total cost is estimated at $1,000.

* * *

J. COMMUNICATIONS:

There was no discussion by the Commission.

* * *

K. TRAILING CALENDAR:

There was no discussion of trailing calendar items.

* * *

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 3:30 P.M.

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION

MINUTES

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MAY 1, 1984

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President
WILLIAM K. COBLENTZ
Vice-President
RUTH S. KADISH
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

Index
of the Minutes
Airports Commission

May 1, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:	84-0107	3
D.		DIRECTOR'S REPORTS:		
	1.	Airports Commission Rules and Regulations (revision)		3
	2.	Valet Parking Service Update		4
E.		ITEMS INITIATED BY COMMISSIONERS:		4-5
F.		POLICY REVIEW:		
	3.	Review and Approval of Policies: Holiday Festival, Exhibition Program and Concessions	84-0108 84-0109 84-0110	6
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	4.	Airport Informational Brochure		6-7
	5.	Rental Car Agreement Modification	84-0111 84-0112 84-0113 84-0114 84-0115	7
	6.	Airport Contract No. 1369 Pavement Overlay - Upper Level Road, South Terminal	84-0116	7
	7.	Resolution rescinding authority to transfer $100,000 to Art Commission for award of Contract to Charles Ross, Artist	84-0117	8
	8.	Tenant Improvement: Host International Inc. - Temporary Food Facility South Terminal, T-2864 $99,500	84-0118	8

Calendar Section	Agenda Item	Title	Resolution Number	Page
	9.	Modification of Agreement for Legal Services Morrison & Foerster-$25,000	84-0119	8
	10.	Donation of Photographic Murals	84-0120	8
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	11.	Approval of Sublease between American Airlines, Inc. and Frontier Horizon, Inc.	84-0121	8
	12.	Professional Service Agreement Dames and Moore	84-0122	9
	13.	Approval of Williams & Burrows Inc. request to substitute steel subcontractor on Contract 1410ABCD - No additional cost	84-0123	9
	14.	Statistical Adjustments 1983-84-Joint Use Billing Under New Lease and Use Agreement	84-0124	9
	15.	Federal Aviation Administration (FAA) Seminar	84-0125	9
	16.	Travel Authorization - California League of Cities Sacramento Internship	84-0126	9
I.		COMMUNICATIONS:		10
J.		TRAILING CALENDAR:		10
K.		CLOSED SESSION:		10
L.		ADJOURNMENT:		10

Minutes
of the

Airports Commission Meeting

May 1, 1984

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 2:00 P.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Commissioners William K. Coblentz, Ruth S. Kadish, Z. L. Goosby
Absent:	Commissioners Morris Bernstein, J. Edward Fleishell

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of February 7, 1984 were adopted by order of the Commission Vice President.

No. 84-0107

* * *

D. DIRECTOR'S REPORTS:

1. Airports Commission Rules and Regulations (revision)

Report on the latest draft of the revision of the Airports Commission Rules and Regulations, originally adopted October 17, 1972.

Mr. Lou Turpen, Airport Director, explained that his memo to the Commission lists the page number, the rule number and the title of the rule that has been changed. He said he would be interested in any comments or suggestions the Commission might have on amendments or changes.

2. Valet Parking

Mr. Turpen said that the report is self-explanatory. Staff would like to return to the Commission at the first meeting in June with an annual report. He said that traditionally January, February and March are not good months but that over the year the operation will make money.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Kadish asked, in Commissioner Bernstein's absence, that the Commission accept a mural map of the world from Ms. Edith Hamlin to be donated to the Friends of Airports Programs. Mr. William E. McDonnell, President of the Friends of Airports Programs, has asked the Airports Commission to accept this as a gift to the Airport to be placed in the Airport. She said that Howard Friedman, the Commission's architectural consultant, has seen the 18' x 35' mural and determined that it should be placed on the entry wall of the upper level of the Central Terminal, immediately adjacent to the North Connector. He said it would enhance the Airport.

Commissioner Goosby asked if it was considered a permanent display.

Commissioner Kadish responded that it would be a permanent display and added that the mural is on vinyl and will be placed on the wall in the same manner that vinyl is placed.

Commissioner Goosby said that the Commission has a policy prohibiting permanent displays.

Commissioner Kadish responded that the policy refers to the Exhibition Program and added that this is a gift to the Airport.

Commissioner Goosby said that he has no objection to it but would like it to be consistent with Commission policy.

Commissioner Coblentz recommended putting the item over in order to prepare an appropriate resolution.

Commissioner Kadish said that if the gift was accepted today the Art Commission will approve it at their meeting next Monday. She added that the Art Commission meets once a month.

Commissioner Coblentz responded that questions have been raised.

Commissioner Goosby suggested that the Commission might want to change its policy.

Commissioner Coblentz said that the Commission is enthusiastic about its acceptance however a proper resolution should be drafted.

Commissioner Kadish said she asked Ms. Gittens, Deputy Director for Business and Finance, how long it takes to pay vendors and that Ms. Gittens complied with a request for information on payment of invoices. She said that she has been approached by a number of vendors protesting the amount of time it takes to be

paid. She said that Ms. Gittens arbitrarily chose four primary types of payments (direct, contract, purchase orders and voucher payments) that the Airport makes. Commissioner Kadish said that, based on the information she received, it takes anywhere from three weeks to four or five months for bills to be paid and that most of the difficulty is due to the fact that payments do not come directly from the Airport but must be authorized by City Hall.

Commissioner Kadish wondered if it would not be appropriate to determine where the bottlenecks lie and see if that could be used as an aid to City Hall in expediting payment.

Commissioner Goosby said that when he was on the School Board they asked the Purchaser to let them pay their own bills thereby expediting payment and reducing the cost. He felt that the Airport should consider a similar approach.

Commissioner Kadish said that she would not be averse to beginning with the first step if the Commission agreed.

Mr. Turpen said staff would look into it.

Commissioner Goosby asked staff to look into the feasibility of using an electronic information display in conjunction with a kiosk. He said it was his understanding that a request for proposals was sent out on the static, non-illuminated kiosk.

Mr. Turpen said he would instruct staff to explore this. He said that at the very least there should be a static display system for exper- ienced travelers who know where they want to go and what they are looking for in the Airport. On the other hand, the Airport could have an interactive display combining both systems.

Commissioner Kadish said that she investigated the interactive system in various places in the City and found that it was very favorably received. She felt that any system being considered must be in a cabinet with a design that will blend with the Airport and be approved by Mr. Friedman and the Design Review Committee. She said that the number and placement of units must also go before the Design Review Committee and the Commission for approval.

Commissioner Goosby asked if the state was contributing any money to this.

Mr. Turpen said that the state was putting in the transportation interface which is going into the North Terminal. He said it is presently being programmed and should be ready in June.

Mr. Sheldon Fein, Landside Operations, said that this system will show all ground transportation services offered at the Airport.

Mr. Turpen said that staff will take a look at the system and report back to the Commission.

* * *

F. POLICY REVIEW:

The following items were unanimously adopted.

3. Review and Approval of Policies: Holiday Festival, Exhibition Program and Concessions

No. 84-0108
84-0109
84-0110

Mr. Turpen said that Commissioner Kadish made one change on the Exhibition Program resolution at the last meeting: "RESOLVED, That it is the policy of the Airports Commission to include only temporary exhibitions as part of the exhibition program."

* * *

G. ITEMS RELATING TO ADMININISTRATION, OPERATIONS AND MAINTENANCE:

The following item was presented to the Commission for consideration.

4. Airports Informational Brochure

Rough draft copy of the San Francisco Airport Informational Brochure for the Commission's approval prior to finalization.

Mr. Turpen said that staff received instructions from the Commission to develop a brochure similar in size and structure to that of Los Angeles. He said the Commission has the text of the brochure and the actual layout is on the board. Mr. Turpen said that contrary to the memo to the Commission there is no need to approve the text as it needs more work and he does not want to prematurely go ahead on the brochure.

Commissioner Coblentz thought the brochure cover was dull compared to the cover of the Los Angeles brochure. He hoped that it could be more illuminated. He said SFO is different from most airports and we have to show it, especially in the artistic sense.

Commissioner Kadish agreed with Commissioner Coblentz saying it was a status quo, traditional approach. She said the Commission approved $40,000 to develop a logo for the Airport for the opening of the Central Terminal and thought that it would also be used for the brochure.

Commissioner Kadish read an excerpt from a letter she received: "...the standard to measure all airports is beyond a doubt San Francisco International." Commissioner Kadish did not feel that the brochure lived up to that statement.

Commissioner Goosby said there were some items in the brochure that were ambiguous.

Commissioner Coblentz asked that he take them up with staff at a later date.

Commissioner Goosby thought that four foreign languages should be selected and that they should be chosen from those countries bringing in the greater number of passengers.

Mr. Turpen said those languages would be Spanish, Chinese, Japanese and Tagalog.

Commissioner Coblentz asked if there were any comments from the airlines. There were none.

The following items were unanimously adopted.

5. Rental Car Agreement Modification

No. 84-0111	Hertz Rent-A-Car
84-0112	Avis Rent-A-Car
84-0113	National Car Rental
84-0114	Budget Rent-A-Car
84-0115	Dollar Rent-A-Car

Commissioner Coblentz said that the Commission has received communications from the rental car agencies and any questions have been cleared up.

Mr. Turpen said there is one resolution before the Commission and asked that the Commission adopt five (5) resolutions, one for each of the rent-a-car companies.

Commissioner Kadish moved that five (5) resolutions be adopted and Commissioner Goosby seconded the motion.

Commissioner Goosby asked when the agreement expires.

Ms. Angela Gittens, Deputy Director for Business and Finance, responded that it expires tomorrow.

Commissioner Goosby asked if they were bid at one time.

Mr. Turpen responded in 1978.

Ms. Gittens explained that these are the first of five, one-year options.

Commissioner Kadish said there was a sixth rent-a-car company but they are no longer in operation at the Airport.

Mr. Turpen responded that unsuccessful attempts were made to bid that operation.

6. Airport Contract No. 1369
Pavement Overlay - Upper Level Road, South Terminal

No. 84-0116	Resolution awarding Airport Contract No. 1369, Pavement Overlay, Upper Level Road, South Terminal, to Custom Surfacing, Inc., in the amount of $103,610.00
	Construction budget is $105,000.00
	Contract time is 40 calendar days.

7. Resolution Rescinding Authority to Transfer $100,000 to Art Commission for Award of Contract to Charles Ross, Artist.

No. 84-0117 — Artist has informed Art Commission that he will not provide installation of his prism sculpture. Joint Committee rescinded approval of contract with Charles Ross on April 18, 1984.

8. Tenant Improvement: Host International Inc.
Temporary Food Facility South Terminal, T-2864-$99,500.

No. 84-0118 — Resolution approving the plans and specifications for a temporary food facility in the South Terminal while Host refurbishes its existing facilities.

9. Modification of Agreement for Legal Services
Morrison and Foerster - $25,000.

No. 84-0119 — Resolution approving Modification of Agreement with Morrison & Foerster for legal services in connection with litigation of Lorrie's Travel & Tours vs. SFO Airporter and City and County of San Francisco, et al. to increase maximum amount of compensation by $25,000 to a total sum of $25,000.

Commissioner Coblentz called attention to an error and indicated that the $25,000 increase would leave a total sum of $75,000, not $25,000.

10. Donation of Photographic Murals

No. 84-0120 — Donation of twenty-four photographic murals by Mr. Robert Cameron, author and photographer of the books Above San Francisco and Above Yosemite.

Commissioner Coblentz thought that the photographs of San Francisco were wonderful.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

11. Approval of Sublease between American Airlines, Inc. and Frontier Horizon, Inc.

No. 84-0121 — Resolution approving the sublease of certain North Terminal space by American Airlines, Inc. to Frontier Horizon, Inc.

12. Professional Services Agreement - Dames and Moore

No. 84-0122	Resolution approving the employment of Dames and Moore for professional services in connection with design of Airport Perimeter Dike.

13. Approval of Williams & Burrows Inc. Request to Substitute Steel Subcontractor on Contract 1410ABCD-No Additional Cost

No. 84-0123	Williams & Burrows Inc. has requested to substitute San Jose Steel Co., Inc. for Judson Steel Corp. as the reinforcing steel subcontractor on Airport Contract 1410ABCD (South Terminal Phase 1 Renovation) at no additional cost to the Airport. San Jose Steel Corp., Inc. has agreed to provide the same materials and service to Williams & Burrows Inc. as Judson Steel Corp.

14. Statistical Adjustments 1983-84 - Joint Use Billing Under New Lease and Use Agreement

No. 84-0124	Resolution adjusting 1983-84 Joint Use Billing pursuant to Section 101.W of the New Airline-Airport Lease and Use Agreement for British Airtours, Inc.

15. Federal Aviation Administration (FAA) Seminar

No. 84-0125	Airport staff attendance at FAA Seminar on May 3-4, 1984, at the Sheraton River House, Miami International Airport in Miami, Florida.

16. Travel Authorization - California League of Cities Sacramento Internship

No. 84-0126	Resolution approving participation of two members of Business & Finance staff in California League of Cities Sacramento Internship Program, May 14 & 15, 1984. Approximate cost: $320.00.

* * *

I. COMMUNICATIONS:

There was no discussion by the Commission.

* * *

J. TRAILING CALENDAR:

There was no discussion of trailing calendar items.

* * *

K. CLOSED SESSION:

There was no closed session.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 2:20 P.M.

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION

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MAY 15, 1984

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President
WILLIAM K. COBLENTZ
Vice-President
RUTH S. KADISH
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

Index
of the Minutes
Airports Commission

May 15, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		DIRECTOR'S REPORTS:		
	1.	Progress Report on the I-380 Highway Construction Program		4
	2.	Landing Fees and Surety Bond Analysis		5
	3.	Temporary Exhibitions Program - Verbal Report		5
D.		ITEMS INITIATED BY COMMISSIONERS:		5
E.		POLICY:		
	4.	SFO Airporter Downtown Terminal	84-0128	6
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	5.	Airport Improvement Program (AIP No. 3) Project Application for $6,608,273.00	84-0129	6
	6.	Resolution Awarding Lease - Principal Concession Lease at the "Hub" in the North Terminal	84-0130	6
	7.	$85,000 Contract with the Museum Society, Fine Arts Museums	84-0131	6-7
	8.	Resolution Accepting World Map from Ms. Edith Hamlin through the Friends of Airport Programs. Final Acceptance subject to Art Commission and Board of Supervisors Approvals.	84-0132	7

Calendar Section	Agenda Item	Title	Resolution Number	Page
	9.	Exhibition Sponsored by the San Francisco Host Committee for the Democratic Convention		7
	10.	Award of Contract 1410E,F, South Terminal Renovation Phase II, to Tutor-Saliba Corporation in the total amount of $32,557,000	84-0127	7
	11.	Award of Contract 1481, High Voltage Distribution, International Terminal and South Terminal, to Fischbach & Moore, Inc., San Francisco, CA in the total amount of $371,111.	84-0133	7-8
	12.	Award of Contract No. 1536-Lower Roof Replacement of Maintenance Building	84-0134	8
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	13.	Declaration of Emergency for Repairing Damages due to Earthquake on April 24, 1984 $46,000	84-0135	8
	14.	Approval of Sublease between Pan American Airlines, Inc. and National Car Rental System, Inc.	84-0136	8
	15.	Bid Call: Airport Contract No. 1211 - Renovation of Existing FAA Facilities and Approving Construction Budget of $380,000 plus $28,500 for Contingencies. Renovation Required as per 1977 Agreement with FAA	84-0137	8
	16.	Bid Call: Airport Contract No. 1594 - Replacement of Gate Room Doors	84-0138	8-9
	17.	Bid Call: Airport Contract No. 1474 - Demolition of Old Shuttle Bus Maintenance Building and Site Improvements	84-0139	9
	18.	Award of Airport Contract No. 1591 - Pavement Overlay of V.I.P. Loading Area	84-0140	9
	19.	Award of Contract No. 1591 Pavement Construction of Taxiway 'R' at Plot 12	84-0141	10

Calendar Section	Agenda Item	Title	Resolution Number	Page
	20.	Award of Contract No. 1600 Pavement Reconstruction, Road R-16	84-0142	10
	21.	Airport Contract No. 1494 Emergency Roofing Repairs Type 2 Modification Extension of Time	84-0143	10
	22.	Close-out of Professional Services Contract with Myles Stevens and Associates and Authorization to Make Final Payment of $232.04 for Services Performed Related to Contract 1234, Phase III Landscaping	84-0144	10
	23.	Statistical Adjustment 1983-84 Joint Use Billing Under New Lease and Use Agreement	84-0145	10
	24.	Statistical Adjustment 1983-84 Joint Use Billing Under New Lease and Use Agreement	84-0146	10
	25.	Tenant Improvement: Lufthansa German Airlines Cargo Building 7 - Modifications to Space Occupied by Permit	84-0147	11
	26.	Tenant Improvement: U.S. Customs Remodeling at Northwest Orient Cargo Building	84-0148	11
	27.	Tenant Improvement: United Air Lines Refurbish Flight Operations Offices - North Terminal "Hub"-3rd Level	84-0149	11
	28.	Authorization for Course Attendance NAUI Assistant Instructor Certification Course Firefighters Joseph M. Wilson and John J. McManus		11
H.		COMMUNICATIONS:		11
I.		TRAILING CALENDAR:		11-12
J.		CLOSED SESSION:		4
K.		ADJOURNMENT:		12

Minutes
of the
Airports Commission Meeting

May 15, 1984

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 2:00 P.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Commissioners Morris Bernstein, Ruth S. Kadish, Z. L. Goosby, J. Edward Fleishell.

Absent: Commissioner William K. Coblentz

* * *

J. CLOSED SESSION:

The meeting adjourned at 2:01 P.M. to go into closed session and reconvened at 2:12 P.M.

* * *

C. DIRECTOR'S REPORTS:

1. Progress Report on I-380 Highway Construction Program

Report summarizing the highlights of the I-380 highway construction program and related mitigation measures.

Mr. Jason Yuen, Acting Director of Airports, explained that this is a routine quarterly report and unless the Commission wanted a verbal report he recommended its acceptance. He said that Sheldon Fein was present in the event the Commission had any questions or desired a summary of the report.

Commissioner Goosby commented that some of the items on the trailing calendar did not have dates and asked that it be taken care of.

Mr. Yuen said he would take care of it.

2. Landing Fees and Surety Bond Analysis

Report outlining the current system of landing fees billing and proposing a revised system with a concurrent revision in surety bond requirements.

Mr. Yuen asked Ms. Angela Gittens, Deputy Director of Business and Finance, to present this item.

Ms. Gittens said that the Commission had previously been presented with the concept of increasing the performance bonds for airlines. This was presented to the Airline Affairs Committee who took it under advisement. The Committee suggested Airport staff look into developing a business interruption insurance concept for potential defaults. Ms. Gittens said that staff was looking into it although it was not as promising as it once appeared.

Commissioner Goosby asked if staff was in the process of developing new procedures so there isn't a four month lag.

Ms. Gittens responded that staff was looking into increasing the performance bonds for non-Lease and Use Agreement airlines but was met with a lot of resistance. It has been decided that the non-Lease and Use Agreement airlines will pay their landing fees in advance. Staff is presently working on such a permit.

Commissioner Kadish said that a resolution would be needed.

Mr. Don Garibaldi, Airports General Counsel, said that these are permits issued by the Director and is an administrative procedure.

Commissioner Kadish responded that this matter pertains to policy set by the Commission to protect the Airport against loss of revenue in the event of a business failure in addition to setting a business procedure.

Mr. Yuen said that a resolution could be presented to the Commission at the next meeting.

Commissioner Fleishell recommended that staff begin typing permits to avoid delay. He said that there will be no opposition from the Commission.

The following item was put over.

3. Temporary Exhibitions Program - Verbal Report

Mr. Yuen said the item pertains to the provision of posters from the Democratic National Convention Committee. Staff has been informed that the posters are not ready for exhibiton.

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. POLCIY:

The following item was unanimously adopted.

4. SFO Airporter Downtown Terminal

No. 84-0128 — Resolution rescinding Airports Commission Resolution No. 79-0369, regarding SFO Airporter's construction of a downtown San Francisco terminal.

Commissioner Fleishell asked that the record show that counsel strongly advised moving ahead.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following items were unanimously adopted.

5. Airport Improvement Program (AIP No. 3) Project Application for $6,608,273.00.

No. 84-0129 — Resolution approving the submission of Project Application for AIP Fund of $6,608,273.00 and requesting Board of Supervisors to authorize filing of Project Application and to accept the resulting grant offer.

Mr. Yuen explained that this was a request to the Board of Supervisors for approval to apply for FAA funds for airfield projects. Mr. Yuen said this is done every year.

6. Resolution Awarding Lease - Principal Concession Lease at the "Hub" in the North Terminal.

No. 84-0130 — Resolution awarding lease of Principal Concession Lease and Agreement for Retail Merchandising Sales at the "Hub" in the North Terminal Building to Duty Free Shoppers.

Ms. Gittens said a $1-million bid was received on the North Terminal "Hub" concession. She said that the Commission may want to put the item over until the next meeting because Human Rights Commission approval has not yet been received. If the lease is awarded pending Human Rights Commission approval, approximately one week will be gained in the process.

Ms. Gittens said that Duty Free Shoppers has until May 30 to submit their sub-tenant list but have indicated that they will be ready by May 23.

7. $85,000 Contract with the Museum Society, Fine Arts Museums

No. 84-0131 — Contract for $85,000 with the Museum Society, Fine Arts Museums of San Francisco for the purpose of providing and implementing Temporary Exhibitions at San Francisco International Airport for the fiscal year 1984-85.

Mr. Yuen said that this item is a request for the transfer of fees to the Fine Arts Museums for the Airport's Exhibition Program. He said that for the last four years the fee has been $80,000 and this is the first year an increase to $85,000 has been requested. He said the Exhibition Program is doing a fine job for the Airport and a lot of good press has been received.

8. Resolution Accepting World Map from Ms. Edith Hamlin through the Friends of Airport Programs. Final Acceptance Subject to Art Commission and Board of Supervisors Approvals.

84-0132

Commissioner Fleishell said that there should not be a commitment in the acceptance document to display the mural at any particular place, time or for any period of time. He assumed that was customary.

Mr. Yuen said that was a good point.

Commissioner Kadish asked if the Airport had to take this before the Board of Supervisors or was that the responsibility of the Art Commission.

Mr. Yuen responded that the Art Commission has already given their approval and the Airport must take it to the Board of Supervisors.

The following item was put over.

9. Exhibition Sponsored by the San Francisco Host Committee for the Democratic Convention.

Mr. Yuen said the item pertains to the provision of posters from the Democratic National Convention Committee. Staff has been informed that the posters are not ready for exhibition.

The following item was unanimously adopted.

10. Award of Contract 1410E,F, South Terminal Renovation Phase II, to Tutor-Saliba Corporation in the total amount of $32,557.00

84-0127	Amount includes base bid of $30,478,000 plus selected alternates totaling $2,079,000. Budget for this work is $38,730,000. Six bids were received on April 18, 1984, with base bids ranging from $30,478,000 to $33,395,000.

Mr. Yuen told the Commission that this is the largest contract in the South Terminal to date and that it is quite a bit under budget. He said that no protests were received. He also told the Commission that it has received Human Rights Commission approval.

11. Award of Contract 1481, High Voltage Distribution, International Terminal and South Terminal, to Fischbach and Moore, Inc., San Francisco, Ca. in the total amount of $371,111.

No. 84-0133	Seven bids were received on April 24, 1984. Bids ranged from $371,111 to $580,000. Bid tabulation available from Bureau of Planning and Construction.

Mr. Yuen explained that this contract was to remove PCB transformers in the terminals. He said that this is the first City contract to remove the transformers.

12. Award of Contract No. 1536-R - Lower Roof Replacement of Maintenance Building

No. 84-0134

Resolution awarding Contract No. 1536-R, Lower Roof Replacement of Maintenance Building, to Bryant Organization, Inc., 3229 San Leandro Street, P.O. Box 24081, Oakland, CA 94623, in the amount of $152,582.00 base bid only.

Three bids were received on April 24, 1984, with amounts ranging from $152,582 to $174,533.

Construction time is 60 calendar days.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

13. Declaration of Emergency for Repairing Damages Due to Earthquake on April 24, 1984 - $46,000

No. 84-0135

14. Approval of Sublease between Pan American Airlines, Inc. and National Car Rental System, Inc.

No. 84-0136

Resolution approving the sublease of office space located in the Pan American Administration building from Pan American Airlines, Inc. by National Car Rental System, Inc.

15. Bid Call: Airport Contract No. 1211, Renovation of Existing FAA Facilities and Approving Construction Budget of $380,000 plus $28,500 for Contingencies. Renovation Required as per 1977 Agreement with FAA

No. 84-0137

16. Bid Call: Airport Contract No. 1594 - Replacement of Gate Room Doors

No. 84-0138

Resolution approving scope, budget and schedule for Contract No. 1594 and authorizing the Director of Airports to call for bids when ready.

The work consists of removing the existing sliding doors in the frontal gate rooms in eight different locations throughout the North Terminal and replacing them with swinging doors.

Contract time is 60 calendar days.

Commissioner Bernstein said that Commissioner Kadish wanted an explanation of this item.

Mr. Dennis Bouey, Deputy Director for Facilities, Operations and Maintenance, said these doors were specially made for the North Terminal. He said that they are very heavy and take eight men to move. He explained that when the doors were made the Airport was given a supply of parts but they are now obsolete. He said that he thought someone could be found to machine new parts however with the weekly construction and maintenance problems, the complaints and overtime that is sometimes needed to repair them it would be more efficient to replace them.

Commissioner Goosby asked if these were run on a motor.

Mr. Bouey responded that they were not and estimated their weight at several hundred pounds a piece.

Commissioner Goosby asked what the rationale of the architect was in recommending these doors.

Mr. Bouey said that although the doors were installed before he began working at the Airport, records indicate that the contractor, at that time, pointed out to the architect that these doors break down. The contractor offered, at the time of construction, to install the same type of door found on the egress at no extra charge to the Airport. The Airport architects rejected it and proceeded with the doors currently there.

Commissioner Fleishell asked if we have a continuing claim with the Airport architects.

Mr. Garibaldi responded that we do however he assumed that the Airport concurred with the recommendation or it would not have been done.

17. Bid Call: Airport Contract No. 1474 - Demolition of Old Shuttle Bus Maintenance Building and Site Improvements.

No. 84-0139

Resolution approving the scope, budget and schedule for Airport Contract No. 1474, Demolition of Old Shuttle Bus Maintenance Building and Site Improvements and authorizing the Director of Airports to call for bids when ready.

The work consists of demolishing the old Shuttle Bus Maintenance Building and paving and draining the area vacated by the demolition in order to provide adequate parking for the buses.

Contract time is 60 calendar days.

18. Award of Airport Contract No. 1591, Pavement Overlay of V.I.P. Loading Area

No. 84-0140

Resolution awarding contract No. 1591, Pavement Overlay of V.I.P. Loading Area, to Lowrie Paving Co., Inc., 1321 Lowrie Avenue, South San Francisco, CA in the amount of $94,100.00

Six bids were received on April 24, 1984, with bid amounts ranging from $94,100 to $122,020.

Construction time is 21 calendar days.

19. Award of Contract No. 1592, Pavement Construction of Taxiway 'R' at Plot 12

No. 84-0141

Resolution awarding Contract No. 1592, Pavement Construction of Taxiway 'R' at Plot 12, to Lowrie Paving Co., Inc., 1321 Lowrie Avenue, South San Francisco, CA in the amount of $87,475.00

Four bids were received on April 25, 1984, with bid amounts ranging from $87,475 to $102,010.

Construction time is 30 calendar days.

20. Award of Contract No. 1600, Pavement Reconstruction, Road R-16

No. 84-0142

Resolution awarding Contract No. 1600, Pavement Reconstruction, Road R-16, to G. Bortolotto and Company, 869 Lurline Drive, Foster City, CA 94404, in the amount of $43,950.

Four bids were received on May 1, 1984, with bid amounts ranging from $43,950 to $65,920.

Construction time is 12 calendar days.

21. Airport Contract No. 1494, Emergency Roofing Repairs Type 2 Modification Extension of Time

No. 84-0143

Resolution approving Type 2 Modification extending the completion date of this contract from June 30, 1984 to December 31, 1984 at no additional cost to the City.

22. Close-out of Professional Services Contract with Myles Stevens and Associates and Authorization to Make Final Payment of $232.04 for Services Performed Related to Contract 1234, Phase III Landscaping.

No. 84-0144

23. Statistical Adjustment 1983-84 Joint Use Billing Under New Lease and Use Agreement.

No. 84-0145

Resolution adjusting 1983-84 joint use billing pursuant to section 101.W of the New Airline - Airport Lease and Use Agreement for Aerostar Airlines, D.B.A. Pacific Interstate Airlines.

24. Statistical Adjustment 1983-84 Joint Use Billing Under New Lease and Use Agreement

No. 84-0146

Resolution adjusting 1983-84 joint use billing pursuant to section 101.W of the New Airlines - Airport Lease and Use Agreement for Dash Air Corporation.

25. Tenant Improvement: Lufthansa German Airlines, Cargo Building 7 - Modifications to Space Occupied by Permit

No. 84-0147 — Resolution approving plans and specifications and authorizing construction $200,000.00 - T-2866

26. Tenant Improvement: U.S. Customs Remodeling at Northwest Orient Cargo Building

No. 84-0148 — Resolution approving plans and specifications and authorizing construction - $150,000.00 - T-2854.

No. rental credit.

27. Tenant Improvement: United Airlines, Refurbish Flight Operations Offices - North Terminal "Hub" - 3rd Level

No. 84-0149 — Resolution approving plans and specifications and authorizing construction $90,000.00 - T-2863.

No rental credit.

The following item was removed from the calendar.

28. Authorization for Course Attendance - NAUI Assistant Instructor Certification Course, Firefighters Joseph M. Wilson and John J. McManus

Resolution approving the attendance of Firefighter Joseph M. Wilson and Firefighter John J. McManus, San Francisco Fire Department, San Francisco International Airport, as Airport representatives and qualified certified divers, to attend the Assistant Instructor Certification Course given by the National Association of Underwater Instructors (NAUI), in early summer of 1984.

* * *

H. COMMUNICATIONS:

There was no discussion by the Commission.

* * *

I. TRAILING CALENDAR:

Commissioner Goosby asked if the survey for potential concessions for the Medical Clinic space had been completed.

Ms. Gittens responded that the survey was completed about a week ago.

Commissioner Goosby asked if the top three recommendations from the survey were being looked at.

Ms. Gittens responded that a snack bar was the favorite.

Commissioner Kadish said it was her understanding that the Airport was contemplating undertaking a trial basis activity in relation to information. She noticed that the trailing calendar listed an item for the development of a procedure for monitoring trial basis activities however no date has been set. She requested that a procedure be presented to the Commission before staff undertakes any further trial basis activities.

Commissioner Goosby asked how the carpet testing was proceeding.

Mr. Yuen responded that there are two contracts out to test areas however Civil Service informed staff that the contracts must go to them for approval. No one can be hired until that approval is received and the contracts are being bogged down in the system. Mr. Yuen felt it was ridiculous because these contracts are for $700 and $1,000 and the duration is only for one night.

* * *

K. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 2:30 P.M. to go into closed session.

Jean Caramatti
Commission Secretary

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MINUTES

Tuesday, June 5, 1984

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President
WILLIAM K. COBLENTZ
Vice-President
RUTH S. KADISH
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

Index
of the Minutes
Airports Commission

June 5, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A		CALL TO ORDER		4
B		ROLL CALL		4
C		ADOPTION OF MINUTES:		
		Regular Meeting of February 21, 1984	84-0151	4
		Regular Meeting of March 6, 1984	84-0152	4
		Special Meeting of March 13, 1984	84-0153	4
		Regular Meeting of March 20, 1984	84-0154	4
D		ANNOUNCEMENT BY SECRETARY		4
E		SPECIAL ITEM:		
	1.	Retirement Resolutions	84-0155 84-0156	4-5
F		DIRECTOR'S REPORTS:		
	2.	Sam Trans' Proposed Maintenance Base at Belle Air Island and Exchange of Access Easement through Airport Property		5
	3.	Report Outlining the Facility Monitoring Methods at the Airport.		5-6
	4.	Airport Program on Collection of Delinquent Accounts.		6-8
G		POLICY:		
	5.	Resolution Adopting New Landing Fees and Surety Bond Policy - Non-Lease and Use Agreement Airlines	84-0157	8

Calendar Section	Agenda Item	Title	Resolution Number	Page
H		AGENDA ITEMS INVOLVING ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	6.	Airport Informational Brochure		8-9
	7.	Passenger Information System - Airport "You Are Here"		9
	8.	Passenger Information System- Bay Area Teleguide	84-0158	9-11
	9.	Credit Card Public Telephones- Pacific Bell and AT&T	84-0159	11
	10.	Design Review Approval - North Terminal "Hub" Principal Concession Stores	84-0160	11-12
	11.	Transfer of Funds to Art Commission for Larry Kirkland Contract	84-0161	12
I		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	12.	Bid Call: Contract No. 1200B(18), Rehabilitation of Elevators	84-0162	12
	13.	Bid Call: Contract No. 1200B(10) Additional Door Alarms, International Terminal	84-0163	12-13
	14.	Bid Call: Airport Contract No. 1572 - Area and Security Lighting at Water Quality Control Plant	84-0164	13
	15.	Approval of Sublease between Pan American Airlines, Inc. and National Car Rental System, Inc.	84-0165	13
	16.	Resolution Approving Assignment of Contracts and Requesting City Controller to Transfer Funds from Contract 1206 to Contract 1414AB	84-0166	13
	17.	Supplemental Appropriation $4,039.00	84-0167	13
	18.	Tenant Improvement: Host International Inc. Temporary Food Facility South Terminal	84-0168	13

Calendar Section	Agenda Item	Title	Resolution Number	Page
	19.	Tenant Improvement: Budget Rent-A-Car, Lots B and C	84-0169	13
	20.	Tenant Improvement· Hertz Lot B	84-0170	14
	21.	Tenant Improvement: National Car Rental, Lot A	84-0171	14
J		PUBLIC HEARINGS:		
	22.	Airports Commission Rules and Regulations	84-0172	14-15
	23.	Parking Rate Increases in the Garage and Long Term Lot	84-0173	16
	24.	Adoption of Ground Transportation Rates and Charges		16
K		COMMUNICATIONS		17
L		TRAILING CALENDAR		17
N		ADJOURNMENT TO GO INTO CLOSED SESSION:		17

Minutes
of the
Airports Commission

June 5, 1984

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 2:00 P.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Commissioners William K. Coblentz, Ruth S. Kadish, Z. L. Goosby, J. Edward Fleishell.
Absent:	Commissioner Morris Bernstein.

* * *

C. ADOPTION OF MINUTES:

The minutes of the following meetings were adopted by order of the Commission Vice President.

No. 84-0151	Regular meeting of February 21, 1984
No. 84-0152	Regular meeting of March 6, 1984
No. 84-0153	Special meeting of March 13, 1984
No. 84-0154	and Regular meeting of March 20, 1984

* * *

D. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Section 54957.1, Jean Caramatti, Commission Secretary, announced unanimous adoption of Resolution No. 84-0150 regarding the settlement of a litigated claim at the closed session of May 15, 1984.

* * *

E. SPECIAL ITEM:

The following item was unanimously adopted.

1. Retirement Resolutions

No. 84-0155	Bill Gutierrez, Airport Custodial
No. 84-0156	Supervisor and Archie Kidd, Carpentry Supervisor.

Mr. Lou Turpen, Airport Director, said the Airport was losing two outstanding supervisors, Bill Gutierrez and Archie Kidd, who have a total combined city service of 66 years.

Mr. Turpen said that Mr. Gutierrez began his career with the Municipal Railway. He has been an instructor in custodial training for 19 years with the S.F. Unified School District and the Community College District. He has served in Local 66 for 17 years, 11 years as President and the remainder of that time as a member of the Executive Board.

Mr. Turpen said that Mr. Gutierrez is an outstanding supervisor and his personal efforts and selflessness have been responsible for the high marks that our terminal facilities have received in the custodial area.

Mr. Turpen said that Mr. Kidd has served with the S.F. Unified School District, Municipal Railway, and has been an outstanding contributor to the Airport. Mr. Kidd has come up with many inovative approaches and his selfless devotion of his personal time are the primary ingredients in turning around the maintenance program and the high marks the Airport has received in maintenance productivity.

Mr. Turpen said that both Mr. Gutierrez and Mr. Kidd will be greatly missed and he asked the Commission to join him in expressing appreciation and gratitude to them for their outstanding efforts and wished them both a long and fruitful retirement.

* * *

F. DIRECTOR'S REPORTS:

2. Sam Trans' Proposed Maintenance Base at Belle Air Island and Exchange of Access Easement through Airport Property.

Mr. Turpen said this was simply a status report for the Commission. He said that Belle Air Island is north of and adjacent to the Airport. Sam Trans proposes to use this area as a bus maintenance facility. He explained that the only access to this area is via Airport property. Staff has determined that the existing easement to the property does not conform to actual practice and should be redesigned to conform to the north access road which has historically been used to gain access to the Belle Air Island property.

Mr. Turpen said that staff has been in contact with Sam Trans regarding the utility easement alongside the north access road. Staff has outlined the Airport's requirements for an easement which include widening and strengthening of the north access road to bear additional traffic. Sam Trans' Board of Directors has not yet finalized a response but Mr. Turpen hopes to have it by the June 19 meeting.

3. Report Outlining the Facility Monitoring Methods at the Airport.

Mr. Turpen said there are essentially three facility monitoring methods at the Airport: the automatic systems, the preventive maintenance system and the work order service format system. He said that these systems are monitored by various members of the Airport staff. There is a detailed method of reporting required work on the physical facilities for custodial, police and airfield persons. Mr. Turpen said that the program has proven to be very effective and it will be continued.

Commissioner Kadish asked what was meant by "Airport Two."

Mr. Turpen responded that "Airport Two" was a designation for an operations supervisor on duty for 24 hours. He explained that each "Airport Two" shift is responsible for checking all terminal facilities, including the washrooms, and filing a report with Maintenance on the condition of the facilities at the end of each shift.

Commissioner Kadish said that she made the request to develop a monitoring procedure for the concessions and not the report that has just been given. She said that the report was very helpful but she really was interested in a procedure of how concessions and contract compliance were monitored. She said that certain concessions are not in compliance. Commissioner Kadish asked that a report be forthcoming.

Mr. Turpen said the item would be placed on the trailing calendar and a Director's Report would be prepared for the June 19 meeting.

Commissioner Fleishell asked Commissioner Kadish if she had specific items in mind rather than have staff deal in generalities.

Commissioner Kadish responded that there are certain concessions that are supposed to carry mainly one item yet those items are a small percentage of their merchandize. She and offered the flower concession in the Central and North Terminals as an example. In addition, the flower cart is supposed to be open a certain number of hours per day but she did not think that that requirement was being fulfilled. Commissioner Kadish said that one or two concessions are supposed to carry a certain line of items and she wants to be certain that they do.

Commissioner Goosby said the Commission received a memo regarding the monitoring and which staff members received the assignment.

Mr. Turpen remarked that he thought the memo to which Commissioner Goosby referred was dated February 19. He said that possibly Commissioner Kadish was away at the time.

Commissioner Kadish responded that she received the letter but it did not address this particular matter.

4. Airport Program on Collection of Delinquent Accounts.

Mr. Turpen said that the total undisputed accounts past due have been reduced from 78 percent of receivables in 1981 to 25 percent of receivables in 1983. The program, as outlined in the report, was drafted in response to the Commission's policy concerning the imposition of finance charges. That policy was put into effect in September 1981. Staff will continue to move aggressively on the accounts receivable. He said this could be a quarterly report.

Commissioner Goosby said that the Commission gets a report on delinquent accounts every month.

Commissioner Kadish remarked that they have not received a report for several months.

Mr. Turpen said he would check on it.

Commissioner Fleishell said he would like to know why the Commission has not been receiving these reports.

Mr. Turpen said the matter could be placed on the next Commission calendar or he could prepare a response and send it to the Commission tomorrow. The consensus was that the matter would be discussed at the next meeting.

Commissioner Goosby asked if there was a time table for invoking the various steps for delinquent accounts.

Mr. Turpen said that a more aggressive collection policy for delinquent accounts has been pursued since Ms. Gittens has joined the staff. He said that due to non-payment several people have been put on notice for cancellation of their permits but explained that each case is taken individually.

Ms. Angela Gittens, Deputy Director for Business and Finance, said that there is a difference in the type of account and the specific situation. She said that permitted airlines that have been chronic problems have been moved on within five days. She told the Commission that three airlines in the last three months have been put on a five-day notice. One of these airlines, Pacific East, went bankrupt.

Ms. Gittens said that some lease and use airlines have been using the full 30-days every month for the past eight or nine months. She said that at this point the Airport's only leverage is the collection charge.

Ms. Gittens said there is another account, which is mentioned in the monthly reports, that has been a chronic problem and will be terminated in August.

Commissioner Goosby said that tenants might be more inclined to meet their obligations if they knew that the next step in the collection procedure would automatically be invoked.

Ms. Gittens said that of the past due accounts approximately 95 percent is within 1 to 30 days. She said that except for chronic problems staff is unlikely to move that quickly.

Ms. Gittens said that aside from the account that will be discussed in closed session there are no other accounts over 40 days and there are not many over 30 days. She said that some of these refer to retroactive billings and explained that while they are booked as past due they had not actually been billed until the current period. Every year staff goes through a recalculation of the lease and use charges based on the final results of the previous year. Those are billed some time in the following year.

Commissioner Kadish agreed with Commissioner Goosby that the Airport should follow a time schedule.

Ms. Gittens said she could send the Commission the time frame and the manual used by accounting. She said that she could also send the Commission the age of the accounts but the vast majority are within the 30-day period.

Mr. Turpen said he received a document this morning that outlines each of the past due accounts and gives an explanation of each. He asked Ms. Gittens to send copies to the Commission as well as any additional information that is needed.

Commissioner Fleishell said it was his understanding that there are accounts that were not billed for six months. He said he wanted to know who owes the Airport what. He said that Commissioner Bernstein has been asking for a 30-day accounts receivable statement for the Commission.

Commissioner Kadish said the Commission needs the monthly report and the detailed steps that Commissioner Goosby asked for.

Mr. Turpen said staff will pull this information together and send it to the Commission prior to the next meeting.

Commissioner Kadish said the Commission received a memo relating to vendor payments and explaining the role of the Controller and Purchaser. She said that the memo indicated that the situation would be monitored and asked that the Commission be kept apprised of the situation.

* * *

G. POLICY:

The following item was unanimously adopted.

5. Resolution Adopting New Landing Fees and Surety Bond Policy - Non Lease and Use Agreement Airlines

No. 84-0157 — Resolution adopting a policy to modify all non-lease and use agreement airlines' operating permits to require landing fees payment in advance and adopting a three (3) month surety bond requirement.

* * *

H. AGENDA ITEMS INVOLVING ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following item was considered by the Commission.

6. Airport Informational Brochure

Submittal of various cover designs, revised text and brochure format for Commission approval.

Commissioner Kadish said she had some grave questions about the material sent to the Commission. She said that some of the information was inadequate and some was inaccurate. She also remarked on the poor grammar and punctuation. She said that if someone contacts her she will be glad to go over those items.

Commissioner Kadish said that the last time this item was on calendar Commissioner Coblentz voted against the design. Staff was supposed to return to the Commission with a design, format and revised content.

Mr. Turpen said that there has been a great deal of discussion on two aspects of the brochure: design and content. He recommended moving ahead with some limited distribution for the summer, even if it occurs after the convention. In that interim period staff can work to

vide a brochure that is more representative of what the Commission feels is appropriate for San Francisco. He said that the grammatical and informational aspects can be worked out for this initial brochure.

Mr. Turpen presented the Commission with three proposed designs, one of which was the original design that the Commission asked to be revised.

Commissioner Coblentz said that the last time this was brought before the Commission Mrs. Kadish asked why the design commissioned for the opening of the International Terminal was not used. He said it was quite good.

Mr. Turpen said that that concept can be utilized as a fourth design. He said there was an attempt to integrate it into one of the posters that is before the Commission but found that the two were not compatible and directed that it not be included.

Commissioner Coblentz said that a temporary brochure would cost a substantial amount of money and as acting chairman he recommended that Commissioners Kadish and Goosby try to work something out rather than having this come back to the Commission.

Commissioners Kadish and Goosby consented.

Commissioner Goosby emphasized his desire to have a brochure for the convention whether it is the final version or not.

Commissioner Fleishell agreed with Commissioner Goosby. He said that it will take two weeks from this point to final printing so the brochure should be ready before the convention.

Items 7 and 8 were called together. Item 7 was put over indefinitely and Item 8 was unanimously adopted as amended.

7. Passenger Information System - Airport "You Are Here"

Resolution modifying projected design budget for Passenger Information System ("You Are Here") by reducing construction budget proportionately.

8. Passenger Information System - Pacific Bell and AT&T

No. 84-0158

Resolution authorizing the Director to execute a space/use permit to Bay Area Teleguide for installation and operation of a videotex information system in the Terminal Building Complex.

Commissioner Coblentz asked if there was a conflict between these two items.

Mr. Turpen responded that the initial intent of the Airports Commission was to install a passenger information "You Are Here" system in the terminal. The Commission authorized $300,000 ($50,000 for design, $250,000 for the fabrication and installation) for a static, non-illuminated system. He said that subsequent to that time staff began investigating an interactive system, the Bay Area Teleguide. He believes that the two systems are compatible. Mr. Turpen said that in the Commission's original deliberations concerning the static "You Are Here" system specific provision was made for the inclusion of an interactive system in the kiosk at some future date.

Mr. Turpen said that together these two systems cover the full range of passenger needs. The static system serves the needs of the frequent traveler who is generally familiar with the Airport and who is looking for a specific piece of information. The interactive system serves the needs of those passengers who want more information about the City or the Airport.

Mr. Turpen felt that developing the information for the static system would take some time. He said that the Bay Area Teleguide system would be installed on a six-month trial basis with an evaluation to be sent to the Commission sometime around the first of the year.

Commissioner Coblentz suggested that instead of expending the $300,000 for the "You Are Here" system Teleguide should be given the six-month trial since it would be cost-free to the Airport.

Commissioners Goosby and Fleishell agreed with Commission Coblentz.

Commissioner Kadish said there is the possibility that within six months it might be determined that Teleguide is inadequate and if staff had the design aspect under way, though not implemented, it would save time.

Mr. Turpen explained that the responses received for the static display concept indicate that although the overall amount would be $300,000 the system could not be designed and put together for the $50,000 originally forecast by staff; it would be more like $100,000.

Commissioner Kadish suggested that when the Commission receives the three-month evaluation of the Teleguide system staff can give some indication at that time as to whether or not a static system would be needed.

Commissioner Coblentz moved that Item 7 be put over for an indefinite period of time and that Item 8 be adopted.

Commissioner Goosby seconded the motion.

Mr. Turpen asked the Commission if they would like a report on the static versus interactive system at the end of the three months or leave it at the call of the chair.

Commissioner Coblentz responded that since it was not known when the system would be installed the reporting date should be left open.

Commissioner Kadish said that the Teleguide resolution should indicate that it is a trial basis effort.

Mr. Orville Luster, representating AMC, felt that an information system was a good idea and told the Commission that his company was installing a machine for the Democratic National Convention. He explained that their machine is not a static design and moves something like a venetian blind and is easy to operate.

Mr. Luster asked the Commission to consider their design. He said he may be able to save the Commission money and might possibly be able to generate revenue. He said that Mr. Ed Lanzilla of Airport Property Management has already seen their design. Mr. Luster invited each member of the Commission to his office at 125 Hyde Street in San Francisco to view the machine. He told the Commission that they are a minority firm and that his partners, Mr. Leonard Quan and Mr. Alec Cabas, were present.

Commissioner Goosby said he would be happy to see it. He said staff could take a look at it as another option for the Commission or the possible installation of another operation.

Commissioner Coblentz, a Director of Pacific Bell, was excused from the discussion and vote on this item. The item was unanimously adopted.

9. Credit Card Public Telephones - Pacific Bell and AT&T

No. 84-0159 — Resolution authorizing Director to execute a space/use permit to Pacific Bell and AT&T for installation of approximately 200 credit card public telephones under revised fee schedules and with accompanying services.

Mr. Turpen said staff recommends granting permits to both Pacific Bell and AT&T to install approximately 106 telephones each in the terminal facilities.

Mr. Turpen said the systems are different and offer a range of alternatives. AT&T can be multi-lingual and offers access for American Express and Bankamericard. PT&T offers a different range of services. Combined, staff feels it can maximize the coverage and service to passengers and at the same time protect our revenues from these two companies.

Mr. Turpen explained that it was his understanding that AT&T has reached agreement with most other local bell companies in the United States but that AT&T and Pacific Bell have not yet come to an agreement. He feels that it is in the best interest of the Airport to include both on a permit basis in order to provide the broadest range of services to passengers.

Commissioner Fleishell asked what facts staff has to indicate that revenue will go up.

Ms. Gittens responded that the minimum annual guarantees that have been discussed with each of the carriers have been more than what the Airport has received form Pacific Bell.

Commissioner Kadish asked where these phones will be placed.

Ms. Gittens responded that previous discussions indicate that they might be placed where the Pacific Bell charge phones are now. There will be no additional locations.

Commissioner Fleishell asked about the Central Terminal.

Ms. Gittens said there will be no additional locations in the Central Terminal. She said it was her understanding that AT&T has agreed to put in an international call center, though this service would provide different types of phones.

Commissioner Fleishell acknowledged requests by Mr. Nichols and Mr. Little, both of AT&T, to speak but both rescinded their requests.

The following item was unanimously adopted.

10. Design Review Approval - North Terminal "Hub" Principal Concession Stores

No. 84-0160 — Resolution approving the schematic design of the North Terminal "Hub" Principal Concession retail stores operated by Duty Free Shoppers.

Commissioner Kadish asked if a representative from Duty Free was present to explain the design.

Commissioner Coblentz asked Mr. Yuen if he and Howard Friedman approved the design.

Mr. Jason Yuen, Administrator, Bureau of Planning and Construction, said that they did.

Commissioner Coblentz moved on to the next item while the designs were being put up and returned to this item prior to the Public Hearing.

A representative from Duty Free showed the Commission a location plan and a merchandising plan of the gift shop. She described the type of merchandise to be sold in each section, the decor of each section and materials to be used.

The following item was unanimosuly adopted.

11. Transfer of Funds to Art Commission for Larry Kirkland Contract.

No. 84-0161 — Transfer of $5,000 to Art Commission for award of contract to Larry Kirkland for design development and maquette of hanging sculpture at entrance to Boarding Area B, South Terminal.

Commissioner Goosby asked if this amount included installation costs.

Commissioner Coblentz responded that it did not.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

12. Bid Call: Contract No. 1200B(18), Rehabilitation of Elevators

No. 84-0162 — Resolution authorizing bid call for Contract 1200B(18), Rehabilitation of Elevators, International Terminal. Upgrade work to accommodate the physically handicapped for two original elevators required by newly enacted California Administrative Code, Title 24, Part 2.

13. Bid Call: Contract No. 1200B(10) Additional Door Alarms, International Terminal

No. 84-0163 — Resolution authorizing the Director of Airports to call for bids for Airport Contract No. 1200B(10), Additional Door Alarms - International Terminal.

The purpose of the contract is to provide fire exit door security alarms on the departure level at the two exit stairs in the terminal building near the North and South Connectors, at the four exit stairs in Boarding Area D concourse, and at each of the loading

bridge vestibules in the Boarding Area D gate room area. It will also change pushbutton bypass switches at the apron level to key bypass switches to restrict movement through the Customs corridor.

14. Bid Call: Airport Contract No. 1572
Area and Security Lighting at Water Quality Control Plant

No. 84-0164 — Resolution approving scope, budget and schedule for Contract No. 1572 and authorizing the Director of Airports to call for bids when ready. The work consists of installing security lighting around the perimeter of Water Quality Control Plant and replacement of corroded poles and fixtures.

15. Approval of Sublease between Pan American Airlines, Inc. and National Car Rental System, Inc.

No. 84--0165 — Resolution approving Modification No. 4 to Sublease for rental car staging facilities located on Plot 1G, from Pan American World Airlines, Inc. by National Car Rental System, Inc.

16. Resolution Approving Assignment of Contracts and Requesting City Controller to Transfer Funds from Contract 1206 to Contract 1414AB.

No. 84-0166 — Work under Contracts 1206 (South Terminal Aircraft Apron Paving, Phase I) will be combined with Contract 1414AB (Boarding Area B Renovation) as provided by the contract. Funds need to be combined accordingly. No change in total contract amount nor budget.

17. Supplemental Appropriation - $4,039.00

No. 84-0167 — Supervisory differential adjustment in accordance with Section IV.F of the Annual Salary Standardization Ordinance.

18. Tenant Improvement:
Host International Inc. Temporary Food Facility, South Terminal

No. 84-0168 — Resolution approving construction of a temporary food and beverage facility in the South Terminal during the construction program.

19. Tenant Improvement:
Budget Rent-A-Car, Lots B and C

No. 84-0169 — Resolution approving design and construction of the two kiosk additions in Lots B and C.

20. Tenant Improvement:
Hertz Lot B

No. 84-0170 — Resolution approving design and construction of express check-out facility.

21. Tenant Improvement:
National Car Rental, Lot A

No. 84-0171 — Resolution approving design and construction of express booth and canopy extention.

* * *

The Public Hearing was convened at 2:45 PM and ended at 3:07 PM.

J. PUBLIC HEARINGS:

The following item was unanimously adopted.

22. Airports Commission Rules and Regulations.

No. 84-0172 — Approval of Airports Commission Rules and Regulations.

Commissioner Kadish said that she did not read the Rules and Regulations line by line and asked if there was anything in the document that relates to the no-smoking ordinance both for offices and Airport lounges. She said that four or five years ago the Airport set aside no-smoking areas in the terminals but did not see any the last time she was in the Airport. She said that it should be included in the Rules and Regulations.

Mr. Turpen responded that to his knowledge there is no separation of smoking/non-smoking areas in the terminals.

Commissioner Kadish said there used to be and wanted to know why it was dropped. She asked Mr. Turpen to return to the Commission next week with a plan which will clearly designate those areas.

Commissioner Coblentz said that Air California has a non-smoking section in the waiting area.

Mr. Phil Meginnes, Airport Operations, responded that many years ago, before the opening of the North Terminal, the Central Terminal was broken down into smoking/non-smoking areas but had no explanation as to why it was dropped.

Commissioner Kadish said the smoking/non-smoking designation for each boarding area should be included in the Rules and Regulations. She asked how what already has been included relates to the non-smoking ordinance.

Mr. Turpen referred Commissioner Kadish to Page 6 of the Rules and Regulations and indicated that the section on smoking was modeled after the City ordinance.

Commissioner Coblentz said he did not think that the Airport could require the airlines to follow the non-smoking rule.

Mr. Garibaldi, Airport General Counsel, said that every lease and permit is conditioned upon compliance with the Rules and Regulations of the Airport.

Mr. Charles Mawson, Legislative Director for Californians for Nonsmokers Rights, said that since the San Francisco ordinance was introduced in January, 1983 various cities, Palo Alto, Pasadena and Mountain View, have passed ordinances which clarify their policies. He asked the Commission to adopt a more complete regulation and ban smoking in restrooms, hallways, and conference rooms; set aside a certain percentage of the employee lounges and cafeterias; and, permit the non-smoker to designate an individual desk as a non-smoking area. He said he would be happy to provide copies of these laws and policies to staff to show them what other communities have done to clarify a policy. He applauded the Commission's action but suggested that it could be improved upon by clarifying the minimum policy.

Mr. Mawson told the Commission that the Minneapolis airport has had non-smoking areas since 1975; Oakland airport's non-smoking areas are located outside the security areas; John Wayne Airport does not allow smoking past security areas; and, San Diego has a no-smoking policy in ticket lines but not in the waiting areas.

Mr. Mawson said that there is such variation in the State that his organization went before the legislature and, with the assistance of Assemblywoman LaFollette, introduced a bill, AB 2997, that would set up non-smoking areas in waiting areas and ticket lines. He explained that because of objections from the airline industry the bill was made into a resolution encouraging the airlines and airport management to protect non-smokers in the ticket lines and waiting areas. The legislature was to receive a progress report in six months.

Mr. Mawson said that representatives from San Diego, Los Angeles and Burbank airports met in Assemblywoman LaFollette's office a month ago and told the Assemblywoman that they would do their best to comply with a voluntary proposal.

Mr. Mawson said they do not want to ban smoking, they want it regulated to protect non-smokers.

Commissioner Kadish said that she commented on this at the March 6 meeting and staff was supposed to return to the Commission at the first meeting in April. She suggested that staff might want to get together with Mr. Mawson to come up with something that is workable.

Mr. Turpen said staff will have an outline for the Commission at the next meeting.

Commissioner Coblentz said that there has been a long fight on the smoking ordinance and the Airport should see how it is tested. He agreed with Commissioner Kadish' comments on the waiting areas but he did not think there should be a ban on smoking in ticket lines.

Mr. Turpen said that if the Rules and Regulations are adopted today he will come back to the Commission with appropriate language on the non-smoking issue. The Rules and Regulations will be published in 30-60 days and the delay will not preclude its inclusion in the original issue.

The following item was adopted by a 3-1 vote with Commissioner Kadish casting the dissenting vote.

23. Parking Rate Increases in the Garage and Long Term Lot

No. 84-0173 — Resolution authorizing the approval of parking rate increases in the garage and long term lot to take effect on August 1, 1984 and January 1, 1986.

Commissioner Kadish said that she first introduced changing the schedule in 1977 and is in favor of increasing rates when it is appropriate to do so. She said that the material sent to the Commission contained information that relates to other airports but that she did not care about other airports; she only cared about San Francisco. She said that the Airport's physical plot is what should make the determination relative to the use of automobiles at SFO.

Commissioner Kadish said that over the years there have been complaints about cars circling the roadway and accumulating curbside. She said that these problems were the basis for retaining a low parking rate for the first two hours. She added that the current rate was in line with most of the City's parking facilities. Commissioner Kadish felt that as soon as the rates are raised for the first two hours you will find more people circling the Airport rather than using the garage. She said that she is not averse to raising the rate for the entire day but she is strongly averse to doing anything that will create an accumulation of cars in front of the terminal. Commissioner Kadish asked that staff try to work out an increase in rates, leaving the first hour and probably the second hour as is.

Commissioner Goosby said that he felt the rates were in line with the concept of encouraging use of the garage. He felt that the increase would not be unexpected due to the length of time the rate has remained at 50¢. He did not feel that the proposed increase was exorbitant but was, in fact, reasonable when compared to rates of private garages. Commissioner Goosby also argued that the additional revenue would increase the amount of money going into the City's general fund.

Commissioner Goosby said that he was sympathetic to Commissioner Kadish' comments and if after six months it is determined that the rate increase has resulted in heavier traffic on the roadway and at curbside then the Commission can take another look at the increase. He felt that it is foolish to penalize the City when there is no evidence that this minor increase will adversely effect roadway traffic.

Commissioner Kadish offered the compromise of increasing the second hour but leaving the first hour at the original rate.

Commissioner Fleishell said he did not think that an additional 25¢ would deter anyone from parking in the garage. He felt that the increase had to be made.

The following item was unanimously adopted.

24. Adoption of Ground Transportation Rates and Charges

No. 84-0174 — Adoption of rates and charges for various ground transportation operators utilizing San Francisco International Airport roadways.

* * *

K. COMMUNICATIONS:

There was no discussion by the Commission.

* * *

L. TRAILING CALENDAR:

Commissioner Kadish noted that there has been no discussion of the Policy Manual since April 17.

Commissioner Kadish asked for a report on the draft procedure for monitoring trial basis activities as soon as possible.

* * *

N. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 3:07 PM to go into closed session.

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION

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MINUTES

Special Meeting
June 26, 1984

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President
WILLIAM K. COBLENTZ
Vice-President
RUTH S. KADISH
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

Index
of the Minutes
Airports Commission

Special Meeting

June 26, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES	84-0175	4
D.		SPECIAL ITEM:		
	1.	Retirement of Betty M. Thanos, Principal Accountant	84-0176	8
E.		DIRECTOR'S REPORTS:		
	2.	Development of International Terminal Arrivals Level Concessions Facilities		8
	3.	International Terminal Principal Concession Lease - Soaps, Lotions and Flower Sublease		9
F.		ITEMS INITIATED BY COMMISSIONERS:		
		Resolution commending staff on job well done during June 15, 1984 gas main break in South Terminal	84-0177	9
G.		POLICY:		
	4.	Airports Commission Rules and Regulations	84-0198 84-0199	9
H.		POLICY REVIEW:		
	5.	Review of Policies Adopted by the Commission from July through December, 1982.	84-0200 84-0201 84-0202	10
I.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	6.	Contract 1414AB Boarding Area B Renovation, Boarding Area B South Concession Area	84-0179	4

Calendar Section	Agenda Item	Title	Resolution Number	Page
	7.	Award of Contract No. 1535-R Re-roofing of Engineering Building	84-0180	5
	8.	Airport Contract No. 1250-C Pavement Overlay and Relocation of Lights of Runway 1R-19L	84-0181	5
	9.	Resolution Awarding Two Leases and One Permit for Shoeshine Operations in Terminal Buildings	84-0182	5
	10.	Resolution Approving Modification No. 5 to Professional Services Agreement with Farella, Braun and Martel		5
	11.	Commendation for Elsa Cameron	84-0183	5
	12.	Modification and Extension of Professional Services Agreement - Iver C. Larson and Associates - Professional Safety Consultants - $17,300	84-0184	5
	13.	Tenant Improvement: United Airlines Maintenance and Operations Center	84-0185	6
	14.	AOCI Pacific Basin Definition	84-0186	6
	15.	Proposed Exhibitions Program, Fiscal Year 1984/1985	84-0187	6
	16.	Automobile Service Station on Main Exit Road	84-0188	6
J.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	17.	Employment Retirement		7
		Orville Brogan	84-0189	7
		Masanori Hirasuna	84-0190	7
		Nikolai G. Makaroff	84-0191	7
	18.	Tenant Improvement - Hertz Lot A	84-0192	7
	19.	Tenant Improvement: - Northwest Orient Airlines Cargo Directory Sign - Plot 9A	84-0193	7
	20.	Tenant Improvement: PSA South Terminal Pier "e" New Loading Bridge and Boarding Gate West of Gate 37B T-2888 $65,000	84-0194	7

Calendar Section	Agenda Item	Title	Resolution Number	Page
	21.	RTR/Localizer for Runway 28L	84-0195	7
	22.	Microwave Grid Antennas for "new" Controller Tower	84-0196	7
K.		PUBLIC HEARING:		
	23.	Valet Parking - Rate Increase	84-0197	8
L.		COMMUNICATIONS:		10
M.		TRAILING CALENDAR:		10
N.		CLOSED SESSION:		4
O.		ADJOURNMENT:		10

Minutes
of the
Airports Commission

Special Meeting
June 26, 1984

A. CALL TO ORDER:

The special meeting of the Airports Commission was called to order at 9:00 A.M. in Room 2B, City Hall, San Francisco, Ca.

* * *

N. CLOSED SESSION:

The meeting was adjourned at 9:06 A.M. to go into closed session and reconvened at 9:40 A.M.

* * *

B. ROLL CALL:

Present:	Commissioners William K. Coblentz, Ruth S. Kadish, Z. L. Goosby, J. Edward Fleishell
Absent:	Commissioner Morris Bernstein

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 5, 1984 were adopted by order of the Commission Vice President.

* * *

I. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following items were taken out of order and unanimously adopted. An exact court reporter's transcript of items 6 and 7 is attached.

6. Contract 1414AB Boarding Area B Renovation, Boarding Area B South Concession Area

No. 840179	Request by Trans Bay/Lathrop for Commission authorization to substitute sub-contractor Fischbach and Moore in place of WSB Electric, Inc. to perform the electrical subcontract work on Contract No. 1414AB.

A substitute resolution rejecting all bids was unanimously adopted for item 7.

7. Award of Contract No. 1535-R
Re-roofing of Engineering Building

No. 84-0180

The following items were unanimously adopted.

8. Airport Contract No. 1250-C
Pavement Overlay and Relocation of Lights of Runway 1R-19L

No. 84-0181 — Resolution awarding Airport Contract No. 1250-C, Pavement Overlay & Relocation of Lights of Runway 1R-19L, to the Lowrie Paving Co., Inc., P. O. Box 2465, South San Francisco, CA 94080, in the amount of $1,331,940.00.

Commissioner Goosby said he thought attempts should be made to hire those people who will lose their jobs. He said he talked to the Airport's Human Rights Commission representative about this matter. He said he hoped the Human Rights Commission receives a copy of the letter sent to these individuals explaining that it is out of the Airport's hands.

9. Resolution Awarding Two Leases and One Permit for Shoeshine Operations in Terminal Buildings.

No. 84-0182

The following item was put over to the July 11 meeting.

10. Resolution Approving Modification No. 5 to Professional Services Agreement with Farella, Braun and Martel

Commissioner Fleishell said he would not agree to an additional sum of money and that controls should have been imposed. He said that the total amount of money spent is unbelievable.

Commissioner Coblentz said this question has been raised before with other attorneys. He suggested that since no one from the firm is present the item be put over.

The following items were unanimously adopted.

11. Commendation for Elsa Cameron

No. 84-0183 — Resolution commending Elsa Cameron and staff on receipt of the Chamber of Commerce Arts Awards.

12. Modification and Extension of Professional Services Agreement - Iver C. Larson and Associates - Professional Safety Consultants - $17,300.

84-0184 — Modification and extension of Professional Services Agreement - Iver C. Larson and Associates - Professional Safety Consultants - $17,300.

13. Tenant Improvement: United Airlines Maintenance and Operations Center

No. 84-0185

1. Modify Building 11, Maintenance Facility for Servicing Boeing 767/ DC 8 Aircraft - T-2884 - $3,000,000.

2. Replacement of Fire Water Main between Building 15 and Building 74. T-2885 - $60,000 - No Rental Credit

Resolution approving plans and specifications and authorizing construction.

14. AOCI Pacific Basin Definition

No. 84-0186

Requesting AOCI Board of Directors to amend their rules so as to allow those airport operators within 100 miles of the Pacific Coast of North and South America the option of belonging to either the Asia Pacific Region or the North America Region.

Commissioner Fleishell said that the benefits of joining the AOCI are illusory and that the AOCI should be so informed.

Commissioner Kadish said that no one ever bothered to approach the Airport for an opinion and that the decision is simply being imposed on SFO.

Mr. Turpen said he would communicate the Commission's thoughts to the AOCI.

15. Proposed Exhibitions Program, Fiscal Year 1984/1985

No. 84-0187

Proposed Exhibitions Program for the fiscal year 1984/1985, listing the proposed exhibits with descriptions.

A substitute resolution was unanimously adopted.

16. Automobile Service Station on Main Exit Road

No. 84-0188

Resolution approving the month-to-month tenancy to Chevron USA for the Automobile service station on the Main Exit Road until the award of a new lease.

Mr. Turpen explained that the substitute resolution would continue the service station operation on a month-to-month basis at a $5,000 per month rental.

* * *

J. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

17. Employment Retirement

Resolution expressing best wishes for the fullest measure of health and happiness to all in a long and fruitful retirement.

No. 84-0189	Orville Brogan	Sewage Plant
No. 84-0190	Masanori Hirasuna	Sewage Plant
No. 84-0191	Nikolai G. Makaroff	Utilities

18. Tenant Improvement: Hertz Lot A

No. 84-0192 — Resolution approving design and construction of new gasoline structure

19. Tenant Improvement: Northwest Orient Airlines Cargo Directory Sign - Plot 9A

No. 84-0193 — Resolution approving plan and authorizing construction. T-2777SUPP. 6/8 $8,000 No Rental Credit.

20. Tenant Improvement: PSA South Terminal Pier "e" New Loading Bridge and Boarding Gate West of Gate 37B
T-2888 - $65,000 - No Rental Credit.

No. 84-0194 — Resolution approving the plans and authorizing construction.

21. RTR/Localizer for Runway 28L

No. 84-0195 — Resolution approving modification #004 to FAA lease FA-66 WE-2083 for the relocation of FAA equipment shelter for the RTR/Localizer for Runway 28L.

22. Microwave Grid Antennas for "new" Controller Tower

No. 84-0196 — Resolution approving modification #001 to FAA "new" Control Tower lease for the installation and maintenance of two microwave grid antennas.

* * *

The Public Hearing was opened at 10:00 A.M. and closed at 10:02 A.M.

K. PUBLIC HEARING:

The following item was unanimously adopted.

23. Valet Parking - Rate Increase

No. 84-0197 — Attached resolution recommending to raise the valet fee from $15 to $16 effective August 1984.

Mr. Turpen said no one was present to address the issue. He recommended putting the item over until Commissioner Bernstein's return.

Commissioner Coblentz and Kadish denied Mr. Turpen's recommendation.

* * *

D. SPECIAL ITEM:

The following item was unanimously adopted.

1. Retirement of Betty M. Thanos, Principal Accountant

No. 84-0176 — Resolution expressing sincere appreciation and deep gratitude for a job well done to Betty M. Thanos who is retiring on July 20, 1984.

* * *

E. DIRECTOR'S REPORTS:

2. Development of International Terminal Arrivals Level Concessions Facilities

Report on International Terminal arrivals level concession development and recommending a temporary food/beverage cost operation pending final development of a vending alcove, with adjoining cookie and food/beverage facilities.

Mr. Turpen said that pursuant to Commission direction staff conducted a survey which identified the need for a food and beverage service in the International Terminal arrivals area. Staff wishes to proceed in the manner outlined in the memo to the Commission. He said that Mr. Bouey has voiced some concerns about the carpet and selling food in the lower level. He asked that the Commission support the program as outlined.

Commissioner Kadish assumed that the term "mobile cart" did not refer to a permanent installation or one that moved from place to place.

Mr. Turpen responded that it was a semi-permanent installation.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Kadish introduced a resolution commending staff on a job well done during the June 15, 1984 gas main break in the South Terminal.

No. 84-0177

* * *

E. DIRECTOR's REPORTS (continued):

The following item was put over.

3. International Terminal Principal Concession Lease - Soaps, Lotions and Flower Sublease

Mr. Turpen said staff was trying to get some counts and asked that the item be put over. He said staff will communicate to the Commission in the interim and proceed as appropriate.

Commissioner Goosby said that Host indicated they would put a cart in that area to test the market but that they also had approval to start developing an area for a restaurant.

Mr. Turpen said that there is a three phase plan which includes a market test with a cart. If that turns out to be a good idea staff will go back to the Commission for approval to install permanent facilities in that area. He emphasized that initially it is simply a test.

* * *

G. POLICY:

The following items were unanimously adopted.

4. Airports Commission Rules and Regulations

No. 84-0199 — 1. Resolution including smoking and non-smoking areas in the public lounges and airline boarding areas.

No. 84-0198 — 2. Corrections to Airports Commission Rules and Regulations.

Commissioner Kadish said that the modification to the Rules and Regulations pertains to the boarding areas and asked that the lounges and areas over which the Airport has jurisdiction be included.

Mr. Turpen said he would take care of it. He said that the airlines have agreed to the Airport's Rules and Regulations but a policy statement could be made.

Commissioner Kadish said she would like it in writing.

Mr. Turpen responded that it would be confirmed to her in writing.

* * *

H. POLICY REVIEW:

The following items were unanimously adopted.

5. Review of Policies Adopted by the Commission from July through December, 1982.

No. 84-0200	Policy - ANMAP Noise
No. 84-0201	Policy - Noise
No. 84-0202	Policy - Delinquent Accounts

Commissioner Kadish questioned the policy dated July 6, 1982 and said that the phrase "or more" was catchall.

Mr. Turpen said it should read "per month" rather than "or more."

* * *

L. COMMUNICATIONS:

There was no discussion by the Commission.

* * *

M. TRAILING CALENDAR:

There was no discussion of items on the trailing calendar.

* * *

O. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:15 A.M.

Jean Caramatti
Commission Secretary

COPY

SAN FRANCISCO AIRPORTS COMMISSION

Room 2B, San Francisco City Hall

Tuesday, June 26, 1984

9:00 A.M.

SUBJECT: ITEM 6 W.S.B. ELECTRIC, INC./ TRANS BAY LATHROP JOINT VENTURE

Reported by:
THOMAS A. LIBATIQUE, C.S.R.
Certificate #1550

HARRY A. CANNON, INC.
Certified Reporters and Notaries
HIBERNIA BANK BLDG., SUITE 550
201 CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA 94111
(415) 391-7421

BE IT REMEMBERED that, on Tuesday, June 26, 1984, commencing at the hour of 9:00 o'clock a.m. thereof, in Room 2B, San Francisco City Hall, San Francisco, California, before me, THOMAS A. LIBATIQUE, a Certified Shorthand Reporter and Notary Public in and for the State of California, personally appeared:

WILLIAM COBLENTZ, Vice President

RUTH S. KADISH

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

LOUIS A. TURPEN, Director of Airports

BURKE AND KESSLER, 436 - 14th Street, Suite 1303, Oakland, California 94612, represented by BRUCE T. H. BURKE, Attorney at Law, appeared as counsel on behalf of W.S.B. Electric, Inc.

ROGER HUGHES, representing Trans-Bay Electric.

- - -

MR. COBLENTZ: Unless there is any objection, we will call for Item 6, approval of the contract, the boarding area B renovation, south area.

MR. FLEISHELL: Move.

MS. KADISH: Second.

MR. TURPEN: I believe it's a very straightforward substitution of subcontractor, and that would recommend the substitution.

MR. COBLENTZ: Any questions on this, any discussion? Please.

MR. BURKE: Yes. Bruce Burke, representing the objector, W.S.B. Electric, the subcontractor who is being substituted out.

We have filed a brief in this matter. I don't know if the Commissioners have seen it.

MR. COBLENTZ: Yes, all material has been given to the Commissioners, and I always assume they read it.

MR. BURKE: Very good. Our position is, basically, that the substitution is pretextual because of W.S.B. Electric's non-union status.

W.S.B. Electric is willing to execute a subcontract similar to the one that is attached as Exhibit G to our papers.

They have executed contracts with Mr. Van Pelt, who is the contracting officer for the prime contractor

before, and they are willing, ready and able to execute subcontracts containing the same terms.

They are not, however, willing to execute a subcontract which contains the proponent terms which would make them liable for any union stoppage, delays or damages, and that is contained in the first part of Exhibit A, the amplification of the subcontract where Lathrop indicates that W.S.B. Electric would take full responsibility and be liable for all damages arising out of its non-union status.

In short, W.S.B. Electric is willing to execute a contract which contains general terms, conditions, plans, and based upon the general terms and conditions and plans and specifications which are customary for non-union contractors to execute.

MR. COBLENTZ: Are there any questions?

MR. BURKE: Any questions which I might address? Thank you.

MR. GARIBALDI: There is a representative from Trans-Bay Lathrop here.

ROGER HUGHES: If it please the Commissioners, my name is Roger Hughes and I represent Trans-Bay Lathrop in this matter.

I am prepared to be rather long or rather short, depending upon how much the Commissioners feel

they are familiar with the position paper that we submitted, which I think was fairly lengthy, but covered in quite a bit of detail the background of what took place.

I think the most important thing to realize is that the basis of the protest to our request for substitution is our insistence upon some type of unusual provision regarding the responsibility of the subcontractor for damages that might result from his non-union status.

I would like to say that that is essentially a red herring. That was not the issue at all that led to W.S.B.'s refusal to sign the subcontract.

What took place over a period of time was Trans-Bay Lathrop's growing concern about potential problems that might present themselves because of the non-union status.

Our attempt to meet with the executives of W.S.B. to determine how the ground rules for proceeding with the project would be laid out and who would take responsibility for these matters.

The fact is that we could not get through to W.S.B., and their whole attitude was one of lack of concern.

A protest was filed by several unions on the

basis of W.S.B.'s failure to comply with state law.

A hearing was set before this very Commission to determine whether Trans-Bay's Lathrop bid should be thrown out on the basis of W.S.B.'s failure to comply with state laws with respect to union matters.

We weren't taking sides on that issue, but we tried very hard to get in touch with W.S.B. to find out how they were going to respond to these problems, how would they respond to other problems on the job site.

The phone calls that were made to Mr. Williams were not taken. He did not return those calls, and in a sense of frustration, Mr. Van Pelt unilaterally set up a meeting on March 5 and we generated the March 2nd letter, which is the subject of the protest to our request to substitute, which set forth our interpretation of the standard indemnity laws which we have in our standard subcontract agreement.

We did not sit there and say you will sign this and you will sign nothing else. We said this is our interpretation, and that is attached as an exhibit to the contract.

MR. COBLENTZ: I think we have seen all this material.

ROGER HUGHES: If you have seen all that material, you will see that this was our interpretation and we had

a meeting scheduled for March 5th to discuss that matter. Mr. Williams did not show up. No one from W.S.B. did show up, even though we had communicated that to him.

We also attempted to contact Mr. Williams through the attorney that we thought was his legal lawyer, and we even had that gentleman at the meeting with us, and even he was unsuccessful in getting through to Mr. Williams.

Mr. Williams did not show up on March 5th. We waited half an hour and called his office.

MR. COBLENTZ: Excuse me, I think we have most of this data. We have the memoranda that was prepared for us. We read all the materials.

Does any member of the Commission have any questions they want to address?

MR. FLEISHELL: I have none.

MR. COBLENTZ: What is the desire of the Commission?

MS. KADISH: Call for the question.

MR. FLEISHELL: Call for the question.

MR. COBLENTZ: All those in favor signify by saying aye.

VOICES: Aye.

MR. COBLENTZ: Contrary? Matter is approved.

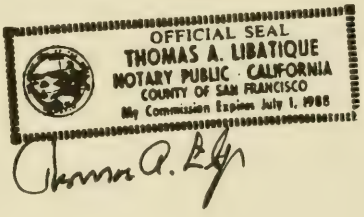
- - -

STATE OF CALIFORNIA)
ss.
CITY AND COUNTY OF SAN FRANCISCO)

I hereby certify that the foregoing proceedings, San Francisco Airports Commission Hearing, Item 6, were taken at the time and place therein stated, and were reported by me, THOMAS A. LIBATIQUE, a Certified Shorthand Reporter and disinterested person, and were thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said proceedings, nor in any way interested in the outcome of the cause named in said proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office this 19th day of July, 1984.



COPY

SAN FRANCISCO AIRPORTS COMMISSION

Room 2B, San Francisco City Hall

Tuesday, June 26, 1984

9:00 A.M.

SUBJECT: ITEM 7 AWARD OF CONTRACT NO. 1535-R
RE-ROOFING OF ENGINEERING
BUILDING

Reported by:

THOMAS A. LIBATIQUE, C.S.R.
Certificate #1550

HARRY A. CANNON, INC.
Certified Reporters and Notaries
HIBERNIA BANK BLDG., SUITE 550
201 CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA 94111
(415) 391-7421

ARRY A. CANNON, INC.

Certified Reporters and Notaries

HIBERNIA BANK BUILDING - SUITE 5-A
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TELEPHONE: (415) 391-7421

July 31, 1984

Airport Commission
P. O. Box 8097
San Francisco International Airport
San Francisco, California 94128
Attn: Jean Caramatti

In re: Airport Commission Hearings

Dear Ms. Caramatti:

The following corrections has been made on Subject: Item 7

PAGE NO.	LINE NO.	CHANGE
12	21	"next four to eight weeks" instead of "next forty weeks"

Thank you for your cooperation.

Very truly yours,

Thomas Libatique

Thomas Libatique
HARRY A. CANNON, INC.

BE IT REMEMBERED that, on Tuesday, June 26, 1984, commencing at the hour of 9:00 o'clock a.m. thereof, in Room 2B, San Francisco City Hall, San Francisco, California, before me, THOMAS A. LIBATIQUE, a Certified Shorthand Reporter and Notary Public in and for the State of California, personally appeared:

WILLIAM COBLENTZ, Vice President
RUTH S. KADISH
DR. Z. L. GOOSBY
J. EDWARD FLEISHELL
LOUIS A. TURPEN, Director of Airports.

STAN, representing Stan-the-Man Roofing Service.
VICTOR THUESEN, representing San Francisco Building Trades Council.
STAN SMITH, representing San Francisco Building Trades Council.
DENNIS BOUEY.

- - -

MR. COBLENTZ: Item number 7, Item number 7 is the award of the contract for re-roofing of the engineering building.

STAN: Sir, I'm the president of the corporation that was awarded this, that won the contract bid.

MR. COBLENTZ: Stan, the Roof Man.

STAN: Stan, the Roof Man.

MR. COBLENTZ: Well, let's wait. We have the materials here, the protest, we have Mr. Stan Smith, the San Francisco Building Trades Council. Stan, do you want to -- I'm sorry.

VICTOR THUESEN: Very briefly, it is the position of the San Francisco Building Trades Council, whom I represent in this matter, the Stan- the-Man Roofing Service does not presently comply, and is not in compliance with the terms and conditions set forth in Section 6.33 and 645 of the San Francisco Administrative Code, and for that reason, the contract cannot be awarded pursuant to your awarding authority.

By way of explanation, I think the documents that are relevant to this matter are before the members of the Commission.

That Ordinance was passed approximately two years ago, and the Ordinance specifically provides, among other things, that an awarding contractor, or a contractor

recipient to an award of work of this sort must prove what the Ordinance describes as proof of participation as a signatory to a recognized apprenticeship and/or training program under Chapter 4 commencing at Section 307 --

MR. COBLENTZ: Mr. Thuesen, I think we have read all that. The question I have for you is, as I understand from the material I have seen, that he has filed with the State Apprenticeship Program.

MR. THUESEN: That's correct.

MR. COBLENTZ: But, he hasn't received anything from them, although they said that he has complied. Why haven't they responded any other way?

MR. THUESEN: He is untimely, that's why. He has waited until this agency has advised him of the requirements for the awarding of the bid, and scurried over to the California State Apprenticeship Council and made application, but he is untimely. There is no way he can be in compliance with this Ordinance.

MR. COBLENTZ: What do you mean, he is untimely?

MR. THUESEN: He is not a party. He is not a signatory to a recognized apprenticeship program, nor will he be for the life of the work being performed on this project.

MR. GOOSBY: Isn't the state regulation that he has

to apply, and the city's Administrative Code says that he shall apply and be a signatory?

MR. THUESEN: It says he has to be a signatory.

MR. GOOSBY: That's the city. How come he hasn't moved on that locally to meet the Administrative Code regulation?

MR. THUESEN: I have no idea why he hasn't moved on it.

MR. COBLENTZ: How long does it take to be a signatory?

MR. THUESEN: Let me defer to Stan Smith.

STAN SMITH: I can answer the question about his moving on the apprenticeship.

He did apply to the Joint Apprentice Training Committee of the roofing industry, but he refused to meet all the qualifications necessary that all the contractors do to train apprentices.

MR. COBLENTZ: What are those?

STAN SMITH: One of the qualifications is that his journeymen be tested to show they are qualified to teach apprentices and he has refused to meet that qualification. Therefore, he was denied by the Joint Apprentice Committee.

MR. COBLENTZ: Excuse me, maybe it's easier if we ask Stan the Man. Can I ask?

VICTOR THUESEN: Sure. Stan is appropriate, I believe.

MR. TURPEN: Stan, would you come up to the microphone, please?

MR. COBLENTZ: We are going to make this somewhat informal, but I think it's helpful.

MR. TURPEN: Would the Commission have any initial questions?

MR. COBLENTZ: Well, we would like to know, the question, if I may address you as Stan the Man --

STAN: Yes, that's my father, Stan the Man. I am the son.

MR. COBLENTZ: This is Ruth, the woman, here.

The question I have is that you have been, as I understand, you have been unwilling to meet certain apprenticeship standards as is required by --

STAN: No, sir, I have never stated that I have been unwilling to meet anything that they have set out.

I will more or less read a little letter over here that --

MR. FLEISHELL: Before you do that, I wonder if I could ask a question. The statement was made that you refused to permit your journeymen to be tested by their testing committee to see if they are competent to train apprentices, is that a fact?

STAN: No, I have never, ever refused to tell any of my journeymen to take a test.

I think my statement was, if I asked you, sir, to take a test, I don't think I could demand you to take this test. You have to take your test -- take the test on its own, and I think there should be qualifications for this test.

Are other roofing contractors liable to take the test? I don't even know what the test is, if they are.

I will give you an example. I hold a real estate broker's license, and I got this license in 1964. If someone asked me to take my real estate broker's test in 1984, I don't think I could pass it, unless someone can now -- going to the other section, even the real estate broker's examination, even to hold your license, you may go to ten meetings and get credits, but you are never asked to take that test again to prove that I was qualified at that particular time.

It is the same thing with the roofing trade. I would like to see that.

MR. COBLENTZ: Okay.

MR. FLEISHELL: Mr. Smith?

STAN SMITH: Yes.

MR. FLEISHELL: What are the criteria for this test by your testing committee of the journeymen? Is there

anything in writing where a person could look at it, or is it just you can hammer the tack into the tarpaper?

STAN SMITH: No, there is a structured test that all journeymen, in this case a roofer, goes through to prove that he is of journeyman status, and when you come in and you haven't done that structured test, then they have a test that is given to all journeymen.

MR. FLEISHELL: Is it in writing?

STAN SMITH: It is both manual and writing.

MR. FLEISHELL: So, you would test his employees to see if they met your idea of what a journeyman ought to be?

STAN SMITH: The standards of the industry that have been approved by the State of California. This is a Labor Management Committee. They set the standards, and it is approved by division.

MR. COBLENTZ: What is the other objection, Stan?

STAN SMITH: I have no other objection, sir.

MR. COBLENTZ: Just the one that he hasn't had the journeymen take that examination?

STAN SMITH: Yes, he doesn't meet the requirements.

MR. COBLENTZ: That is the sole objection?

STAN SMITH: Yes.

MR. GOOSBY: Are you also saying, Stan, in other words, if you have a bona fide union journeyman roofer,

he is already familiar with that?

STAN SMITH: He has gone through the structured apprenticeship program.

MR. GOOSBY: And the rest of these men, they are not certified journeyman roofers, they are unfamiliar with it?

STAN SMITH: Right, at the end of the apprenticeship they take this test that certifies that they are a journeyman.

VICTOR THUESEN: Let me explain, if I may, so that the wrong impression is not left, there is not a union in the State of California that is allowed under the law to administer these tests or administer the apprenticeship programs by themselves.

As a matter of public policy over the years, all of that has been changed. The unions are now required, as a matter of law, to offer, if they offer apprenticeship programs, to offer them on a joint basis, and the joint basis includes a proviso that the offering must be made, that the Joint Apprenticeship Council must consist of an equal number of employee representatives to those participating by the union. That is to say, it's a true joint trust, and the provisions under which they operate the apprenticeship are all conditional upon meeting the requirements of the

California State Law in this regard.

That is to say, you cannot have a Joint Apprenticeship Training Council in the State of California unless that council and its operations and its examinations and its personnel have been first approved by the State.

This city has an Ordinance that says when we contract work, the contractor must signify in a real manner that they are participatory in such a plan.

Stan the Man has not done so.

MR. COBLENTZ: Stan the Man, are you willing to have your journeymen take the test as set forth here?

STAN: I am, sir, but let me ask -- let me tell you one thing.

In 1962 we were signatory to the union and we were able to have apprentices -- 1962, but, yes, I am willing to have anybody take an examination.

MR. GOOSBY: Will that mean that your roofers will do it because you are willing, because your reservation was you felt you couldn't order them to do it?

STAN: Well, sir --

MR. GOOSBY: All right, if we do this contingent upon them taking the examination and being approved --

STAN: Do you think that maybe I could review the test?

STAN SMITH: No.

STAN: There are some of our journeymen who are contractors for the State of California now.

MR. COBLENTZ: Wait a minute, I don't want to get into that. Let me ask you, Stan, how long is it before somebody applies and takes the test?

MR. THUESEN: How long before he applies can he take the test?

VOICE: Probably a week.

VOICE: Immediately.

MR. THUESEN: A week?

MR. TURPEN: I'm sorry, did he say a week?

MR. COBLENTZ: He said immediately. Immediately? Fine. What is the feeling of the Commission if we put this over until the next meeting, which will be on the 11th of July?

MR. GARIBALDI: We have a time problem.

DENNIS BOUEY: Excuse me a minute. Commissioners, bids were received approximately fifty-eight days ago. There is a sixty-day time requirement. For us to extend it, we would need both the approval of the Board of Supervisors and all the bidders.

MR. GOOSBY: And, when is the deadline?

DENNIS BOUEY: There is a sixty-day period within which to award.

MR. GARIBALDI: June 29.

MR. GOOSBY: June 29?

DENNIS BOUEY: Which is also fixed by the city's Administrative Code.

MR. COBLENTZ: Now, as I understand it, the next lowest bidder is also non-union, but there is no protest?

MR. THUESEN: We have no object to that.

MR. GOOSBY: Are you saying we can't hold it over?

MR. COBLENTZ: What is the feeling of the Commission? I'm sorry, staff?

MR. TURPEN: The Commission really has three choices. First, second or reject all bids and recycle this one. Time is such that I think if the Commission elects alternative three, we can rebid this.

MR. COBLENTZ: You can do it?

MR. TURPEN: We can rebid it. It will not impact the project. Dennis --

MR. COBLENTZ: Dennis, is that right?

DENNIS BOUEY: Yes, that's right, Commissioner. We have no problem. We just would want to rebid within the next forty weeks to make sure we beat the rainy season.

MR. COBLENTZ: I would suggest to the Commission that we vote for number three alternative, rebidding this, and Stan the Man will have an opportunity to have

his people involve themselves in the apprenticeship program. If you can't do it, okay. I can't see my Bar exam in advance, you shouldn't see yours.

STAN: How many men go over there for this test?

MR. TURPEN: You can work this out with these gentlemen.

MR. FLEISHELL: I would make a motion to reject all bids.

MR. TURPEN: Reject and rebid.

MR. COBLENTZ: Moved and seconded? Unanimous. Thank you.

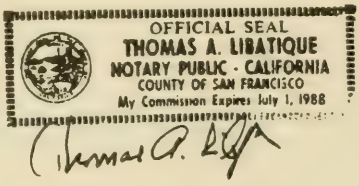
- - -

STATE OF CALIFORNIA)
ss.
CITY AND COUNTY OF SAN FRANCISCO)

I hereby certify that the foregoing proceedings, San Francisco Airports Commission Hearing, Item 7, were taken at the time and place therein stated, and were reported by me, THOMAS A. LIBATIQUE, a Certified Shorthand Reporter and disinterested person, and were thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said proceedings, nor in any way interested in the outcome of the cause named in said proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office this 19th day of July, 1984.



SAN FRANCISCO AIRPORTS COMMISSION

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MINUTES

Special Meeting
July 11, 1984

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President
WILLIAM K. COBLENTZ
Vice-President
RUTH S. KADISH
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

Index
of the Minutes
Airports Commission

Special Meeting
July 11, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A.		CALL TO ORDER		3
B.		ROLL CALL		3
C.		ADOPTION OF MINUTES	84-0203	3
D.		DIRECTOR'S REPORTS:		
	1.	Airport Motor Coach Service Agreement		4-6
	2.	Summer 1984 Exhibitions		6
E.		ITEMS INITIATED BY COMMISSIONERS		6
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	3.	Automobile Service Station Lease/Bid - Specifications and Pre-Bid Conference	84-0204	6-7
	4.	Resolution Approving Modification No. 5 to Professional Services Agreement with Farella, Braun and Martel	84-0205	7
	5.	Access and Utility Easements to SamTrans Maintenance Facility	84-0206	7
	6.	Award of Professional Services Contract to Williams & Williams, Carpet Testing Laboratories	84-0207	7
	7.	Bid Call Contract No. 1275: Relocation of Utilities - Lower Level Loop Road	84-0208	8
	8.	Resolution Approving Modification No. 6 to Professional Services Agreement with Howard A. Friedman - $325,000	84-0209	8-9

Calendar Section	Agenda Item	Title	Resolution Number	Page
	9.	Definition of Pacific Basin	84-0210	9
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	10.	Award of Contract No. 1200B(10), Additional Door Alarms - International Terminal	84-0211	10
	11.	Award of Contract No. 1594 - Replacement of Gate Room Doors - North Terminal	84-0212	10
	12.	Final Modification and Close-Out of Contract 1200B(4) Central Terminal Renovation $304,276.97	84-0213	10
	13.	Close-out of Professional Services Contract with Robert B. Wong, A.I.A., Architect	84-0214	10
	14.	Resolution authorizing Director to transfer funds already set aside for asbestos removal in Contract 1410EF, South Terminal Renovation, Phase II, to Contract 1410ABCD, South Terminal Renovation, Phase I, and Contract 1414AB, Boarding Area B Reconstruction	84-0215	11
	15.	Resolution Authorizing Rental Credit for Work Performed	84-0216	11
	16.	Travel-Training Request for Fiscal Year 1984-85	84-0217	11
H.		COMMUNICATIONS		11
I.		TRAILING CALENDAR		11
J.		CLOSED SESSION	84-0218	3
K.		ADJOURNMENT		11

Minutes
of the
Airports Commission

Special Meeting
July 11, 1984

A. CALL TO ORDER:

The special meeting of the Airports Commission was called to order at 9:05 A.M. in Room 2B, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Commissioners William K. Coblentz, Z. L. Goosby, J. Edward Fleishell

Absent: Commissioners Morris Bernstein, Ruth S. Kadish

* * *

J. CLOSED SESSION:

The meeting adjourned at 9:06 A.M. to go into closed session and reconvened at 9:20 A.M.

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of April 3, 1984 were adopted by order of the Commission Vice President

No. 84-0203

* * *

D. DIRECTOR'S REPORTS:

1. Airport Motor Coach Service Agreement

Report approving the requirement for pre-qualification on operator as a requisite to bid on the Airport Motor Coach Service Agreement.

Mr. Lou Turpen, Airport Director, explained that the report discusses the pre-bid conference, a bid and a requirement that the bidders submit a satisfactory fixed stop location in San Francisco which will meet specific criteria. He said that staff has outlined the type of criteria and will be refined after the pre-bid conference. Staff will return to the Commission after the pre-bid conference with the specifications and comments.

Commissioner Fleishell asked why the method for payment of rent was changed. He said that instead of getting 16-1/2 percent of the gross revenues the Airport will now charge a lower percentage of the deplaned passengers.

Mr. Turpen responded that the Commission discussed the question of 16 percent of the market using the service versus the percentage of the available market at the Airport to encourage the operator to try and attract that market.

Commissioner Fleishell remarked that about a year ago he made a comparison of a particular aspect of Chicago's operation with SFO's but was told that the two are not comparable because Chicago is not a destination, it is a hub. Commissioner Fleishell argued that San Francisco is now also a hub and asked how can we get an honest count.

Mr. Turpen responded that 90 percent of the Airport's passengers are originating/destination passengers whereas Chicago still has 60 to 70 percent that are through passengers.

Commissioner Fleishell did not understand why the Airport is changing the method of calculating and asked if other airports were calculating in this fashion.

Ms. Gittens responded that she did not know the methods used by other airports, however, she believed that this was brought up in a pre-bid conference about two years ago. She said that it apparently was acceptable to the bus companies and would benefit the Airport in terms of having some control over what the actual revenue is. Ms. Gittens said that they currently have a self-reporting operation.

Commissioner Fleishell countered by saying that all concessions are self-reporting.

Ms. Gittens responded that a bus operation or shoeshine operation is more difficult to monitor. She said that the Airport is putting shoeshines on a straight minimum with no percentage. She recommended doing something other than a percentage of gross wherever feasible.

Commissioner Fleishell asked why a bus operation is different.

Ms. Gittens responded that since they are not located at the Airport it is difficult to monitor their operation on a continuing basis.

Commissioner Fleishell said that a bus company has to have ten times the control because it is an all-cash operation.

Commissioner Goosby asked what the minimum guarantee was.

Ms. Gittens responded that it is $12,000 a month but they are doing about $12,500.

Mr. Turpen said that the deplaned passenger approach is fairly straightforward and you don't get into the routine of changing rate structures. He proposed formulating both approaches and presenting them at the pre-bid conference and then report the reactions back to the Commission.

Commissioner Goosby asked if an estimate of projected income has been done for each method.

Mr. Turpen said the Commission can be given an estimate of what the Airport would be paid under the new formula.

Commissioner Fleishell asked if staff considered taking a percentage over a five year term and multiplying the number of people by an inflation factor.

Ms. Gittens responded that it has not been considered but it could be built into the formula.

Commissioner Goosby asked what staff meant by the statement "solicitations of any sort would be prohibited on the motor coach."

Mr. Turpen responded that the prohibition referred to advertising on the outside of motor coaches or on the inside of the windows.

Commissioner Goosby interpreted "solicitation" to mean someone going up and down the isle of the bus asking passengers for money. He said staff might be referring to banning advertisements inside the bus but did not think that the company should be denied that opportunity.

Commissioner Fleishell said the bus company could also be soliciting for the purpose of selling tours.

Mr. Turpen said he would clear up the wording.

Commissioner Fleishell, regarding the inflationary factor, said that it was considered because the five, one-year renewal provides for consideration of going into the extended period but it is not shown in the base count.

Ms. Gittens responded that it was not built into this formula.

Mr. Turpen said that solicitation in the baggage claim area was also prohibited per the Airports Commission Rules and Regulations. The booths, which will be established in that area, will be available to passengers seeking information.

Commissioner Goosby said he was not opposed to ads on the outside of the bus.

Commissioner Fleishell said all the other buses and taxis entering the Airport have advertising on the outside.

Mr. Turpen said that taxis have advertising but he was not certain that other buses did and specifically mentioned that Marin Airporter and Santa Rosa Airporter do not.

Commissioner Goosby asked if SamTrans had advertising on the outside of their buses.

A representative from SamTrans said that there is no advertising on the outside of their buses.

Commissioner Goosby felt that advertising would be a good revenue source.

Commissioner Coblentz said it should be looked at.

Commissioner Fleishell said that the research should not delay the specifications.

2. Summer 1984 Exhibitions

Information and descriptions of the summer 1984 exhibitions.

Mr. Turpen said the report was advisory and self-explanatory.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following items were unanimously adopted.

3. Automobile Service Station Lease/Bid - Specifications and Pre-Bid Conference.

No. 84-0204 — Resolution approving the development of specifications for the lease of Automobile Service Station and authorizing staff to hold a preliminary prebid conference for same.

Mr. Turpen said that the proposal is to re-bid the service station and to include a towing service as part of the lease.

Commissioner Fleishell said that the major oil companies don't compete for this type of an operation and asked if the major service stations had been contacted.

Ms. Angela Gittens, Deputy Director for Business and Finance, responded that major service stations have been contacted but staff has not been able to obtain much information, nor has anyone showed any particular interest in bidding. Ms. Gittens did not know which sta- tions had been contacted.

Commissioner Goosby asked that staff and the Human Rights Commission be alerted about the possibility of a joint venture.

Ms. Gittens remarked that if staff waited until after August 10 it could be done as a set aside.

Commissioner Coblentz said that uninterrupted service is what is most important.

Commissioner Fleishell was concerned that staff has not been talking to the right people. He said he has talked to two major operators in the City; they are both interested but neither one has been contacted by staff. He said that the Port has one of the major operators in the City and they have not been contacted.

Ms. Gittens said that when staff contacted station operators they were talking about the current 24¢ contract with Chevron which nets the Airport $500,000 a year, and no one was interested. She told the Commission that no one was recontacted after the lease was respecified.

4. Resolution Approving Modification No. 5 to Professional Services Agreement with Farella, Braun and Martel

No. 84-0205

Mr. Don Garibaldi, Airports General Counsel, said that the amount should read $1,325,000 rather than $1,425,000.

5. Access and Utility Easements to SamTrans Maintenance Facility.

No. 84-0206 — Resolution granting an exchange of roadway easement and granting a utility easement to SamTrans in connection with their maintenance facility adjacent to the North Access Road, North of the Airport.

6. Award of Professional Services Contract to Williams & Williams, Carpet Testing Laboratories

No. 84-0207 — Resolution for testing samples submitted by manufacturers to prequalify mills interested in bidding the carpet installation contract for the South Terminal Complex. Maximum Contract Amount $15,000.

Commissioner Fleishell said that staff should contact carpet companies that sell to hotels.

Mr. Jason Yuen, Administrator, Bureau of Planning and Construction, said staff did a survey of the major hotels in the Bay Area and found that their specifications are very close to the Airports.

Commissioner Goosby asked how the testing was going on the carpet.

Mr. Yuen responded that the dyeing was not going very well. He said that after several cleanings the color becomes uneven so the idea was abandoned.

Commissioners Coblentz and Goosby agreed that it was worth a try.

7. Bid Call: Contract No. 1275, Relocation of Utilities - Lower Level Loop Road

No. 84-0208

Resolution authorizing the Director of Airports to call for bids for Airport Contract No. 1275, Relocation of Utilities - Lower Level Loop Road.

The purpose of the contract is to re locate underground utilities in the roadway along the terminal complex. Settlement of the ground has caused an extremely serious maintenance problem along with an escalating rate of service disruptions. This project will relocate the water main from the roadway subgrade to within the parking structure, replace a gravity sanitary

sewer line with a force main sewer, eliminate a problem plagued sewage pumping station, establish a new sanitary sewer line on the field side of the South Terminal and enlarge exist ing lines in the same area.

8. Resolution Approving Modification No. 6 to Professional Services Agreement with Howard A. Friedman - $325,000

No. 84-0209

Modification No. 6 extends term of contract to June 30, 1985, and increases scope of work to include de velopment and publication of Airport Master Plan and feasibility study/EIR for new parking garage structure. Consultant will also continue to provide special architectural services to the Commission and Master Architect services for the South Terminal Reconstruction Program.

Mr. Turpen explained that the Land Use Study is an extension of the Master Plan. He said that the Airport has a Terminal Master Plan but does not have a Non-Terminal Master Plan on file. This plan details what will be done in each area and the time frame anticipated.

Commissioner Goosby asked for information on how successful the Airport has been in implementing past master plans.

Mr. Turpen responded that there has only been one master plan for the Airport and that was for the terminal area. He explained that as the Airport grew there was heavy concentration on the terminal areas and very little concentration on non-terminal areas. He said that as a result the Airport has a very loosely structured land use plan which was modified after the Joint Land Use Study. Late in 1980 recommendations were made concerning land use and presented to the Commission along with staff's analysis. The land use aspect of the non-terminal area was fairly complete but the question remains as to what will be done within those areas in terms of tearing down buildings, realigning roadways, etc.

Mr. Turpen said that Howard Friedman will do coordinating activities on the Master Plan and initial feasibility studies. The staff will

pull the Master Plan together and define the basic elements and Howard Friedman will determine the feasibility of certain elements of the Master Plan, i.e. the non-terminal parking garage.

Commissioner Goosby feared that environmentalists would look at this as another expansion of the Airport.

Commissioner Coblentz asked if Park 'N' Fly will be expanded.

Mr. Turpen responded that the parking structure that is being discussed is designed to utilize air rights to try and create some parking facilities at the Airport. These will essentially be replacement parking facilities for facilities that already exist but are going to be closed in the next several years. The tentative location for the facility will be out where the existing economy lot is which is Airport-owned land.

Commissioner Goosby said that communities should be made aware of the fact that this facility will be replacing existing parking and that the Airport is not trying to expand its parking area.

Commissioner Goosby asked what the projected year was for garage parking.

Mr. Turpen responded that the original plan was based on the assumption of the number of passengers who would require terminal area parking in the year 1990.

Commissioner Goosby repeated his concern that the reasons for the new facility be spelled out.

9. Definition of Pacific Basin

No. 84-0210 Review of AOCI/Pacific Basin Membership

Commissioner Fleishell thought this was a good step.

Mr. Turpen said that other airports may follow suit.

Commissioner Fleishell, repeating a comment of a year ago, said that the interests and problems of SFO are predominantly in California. He felt that there should be an association of California airports and reminded the Commission that funds have been appropriated for membership in such an association.

Mr. Turpen said that two years ago, at Commissioner Fleishell's suggestion, he invited Directors of the major California airports, (Sacramento, Oakland, San Diego, Orange and Los Angeles) to San Francisco for a day-long meeting. It was decided that meetings should be held at least semi-annually and that the next meeting would be hosted by George MacLaughlin of Sacramento. He said that he has made several calls about the meeting but it has never gotten off the ground. Mr. Turpen said that he has also made calls to the other airports in an attempt to keep in touch and find out what's happening in terms of the noise situation but he never gets his calls returned. He said that he agreed with Commissioner Fleishell's point that the airports are insular and not interested in the problems of other airports.

Commissioner Fleishell said that there was legislation in Sacramento that originally encompassed all of California but Los Angeles and Orange County wanted no part of it. The legislation was then amended. The airports subsequently demonstrated an interest when they were sued.

Commissioner Fleishell said that at many airports there is a constant battle between the Director and the Commission due to the fact that the Commissions are advisory and not directive as is San Francisco's. He said that an organization is needed to achieve goals that ordinarily cannot be achieved on an individual basis, sometimes due to political reasons. He said that someone should get this organization off the ground.

Mr. Turpen said that in August or September he would be happy to make another try at getting people together. He said that the Commission has voted to set aside funds for membership in such an association and if it is the Commission's desire he will work with Commissioner Fleishell to try and generate interest in policy makers in the state who are affiliated with airports.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

10. Award of Contract No. 1200B(10), Additional Door Alarms - International Terminal

No. 84-0211

11. Award of Contract No. 1594 - Replacement of Gate Room Doors - North Terminal.

No. 84-0212 — Resolution Awarding Contract No. 1594 - Replacement of Gate Room Doors to Habenicht & Howlett Glass, P.O. Box 7745, San Francisco, Ca. 94120, in the amount of $48,219. Two bids were received on June 19, 1984 with the bid amounts ranging from $48,219 to $54,475.

Commissioner Fleishell commented that the architects and consultants should realize that the winds blow from the west.

12. Final Modification and Close-Out of Contract 1200B(4), Central Terminal Renovation - $304,276.97

84-0213 — Final modification to close-out contract including adjustments to bid items and Force Account payments in accordance with City's Administrative Code.

13. Close-out of Professional Services Contract with Robert B. Wong, A.I.A., Architect. Original contract: $29,000; Credit: $577.76; close-out amount: $28,222.24. Services performed for Contract 1261, Interior Finishing Spaces for the U.S.O., Military Services Agencies, Airport Community Affairs Offices and Landside Operations Offices.

84-0214

14. Resolution authorizing Director to transfer funds already set aside for asbestos removal in Contract 1410EF, South Terminal Renovation, Phase II, to Contract 1410ABCD, South Terminal Renovation, Phase I, and Contract 1414AB, Boarding Area B Reconstruction, on an as-needed basis. Resolution also authorizes Controller to certify such trans fer of funds provided that the sum of the three contracts is not altered.

84-0215

15. Resolution Authorizing Rental Credit for Work Performed

84-0216 Resolution authorizing the instal lation of a sprinkler main by Lufthansa Airlines and reimbursement by rental credit not to exceed $46,700.00.

16. Travel-Training Request for Fiscal Year 1984-85

84-0217

* * *

H. COMMUNICATION:

There was no discussion by the Commission

* * *

I. TRAILING CALENDAR:

There was no discussion of trailing calendar items.

* * *

K. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:45 a.m. to go into closed session.

Jean Caramatti
Commission Secretary

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MINUTES

AUGUST 7, 1984

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DR. Z.L. GOOSBY
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LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

Index
of the Minutes
Airports Commission

August 7, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:	84-0219 84-0220 84-0221	4
D.		ANNOUNCEMENT BY SECRETARY:		5
E.		SPECIAL ITEMS:		
	1.	S.F.I.A. Police Officer of the Year Award for 1983 - Officer Thomas J. Cunnane		5
	2.	Presentation of Carnegie Hero Award to Airport Police Officer Robert V. Sheehan		5
F.		DIRECTOR'S REPORTS:		
	3.	Report on the I-380 Highway Construction Program		5
	4.	One Hour Film Developing Lease		6
G.		ITEMS INITIATED BY COMMISSIONERS:		7-8
H.		POLICY REVIEW:		
	5.	Review of Policies Adopted by the Commission from January through December, 1982		8
I.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	6.	Airport Motor Coach Service Agreement-Authorization of Contract Specifications and Pre-Bid Conference		8
	7.	Appeal from Denial of Request for Newsrack Space		9
	8.	Five-Year Extension of Lease for the Public Lockers	84-0222	9

Calendar Section	Agenda Item	Title	Resolution Number	Page
	9.	Revised Five-Year Capital Projects Plan	84-0223	9
	10.	Resolution Approving Alternate E-4 and Transfer of Funds for Double Glazing the Airside Window Wall in Contract 1410EF, South Terminal Phase II - $97,000	84-0224	9
	11.	Preventative Maintenance Program Agreement	84-0225	10
	12.	Award of Airport Contract No. 1535R-1 - Reroofing of Engineering Building	84-0226	10
	13.	Approval of Rental Credit to Host International, Inc.	84-0227	10
	14.	Award of Contract 1433 - South Terminal Aircraft Apron Paving, Phase II	84-0228	11
	15.	Award of Airport Contract No. 788 Extension and Redesignation of Taxiways A & B	84-0229	11-13
J.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	16.	Computerized Ground Transportation Information Contract - Time Extension	84-0230	13
	17.	Statistical Adjustments 1984-85 Joint Use Billing Under Lease and Use Agreement	84-0231	13
	18.	Settlement of Claims not Exceeding $2,500.00	84-0232	14
	19.	Resolution Approving Modification Number 0003 to Contract DOT FA76WE-3747 between the Airports Commission and the FAA for Relocation of the Air Traffic Control Tower	84-0233	14
	20.	Acceptance of Amendment No. 2 to Grant Agreement for ADAP No. 5	84-0234	14
	21.	Resolution Approving the Assignment of Contracts and Requesting the City Controller to Transfer Funds from Contract 1410C-1 to Contract 1410EF	84-0235	14

Calendar Section	Agenda Item	Title	Resolution Number	Page
	22.	Bid Call - Airport Contract No. 1608 - Silt Removal, 1984	84-0236	15
	23.	Airport Contract No. 1336 - Emergency Airfield Pavement Repairs - FY 1983-84 Modification No. 1 (Type 2) Extension of Time	84-0237	15
K.		COMMUNICATIONS:		
L.		TRAILING CALENDAR:		15
M.		CLOSED SESSION:		4
N.		ADJOURNMENT:		15

Minutes
of the

Airports Commission Meeting

August 7, 1984

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 2:00 P.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Commissioners Morris Bernstein, William K. Coblentz, Ruth S. Kadish, Z. L. Goosby, J. Edward Fleishell

* * *

M. CLOSED SESSION:

The meeting adjourned at 2:01 P.M. to go into closed session and reconvened at 2:15 P.M.

* * *

C. ADOPTION OF MINUTES:

The minutes of the following meetings were adopted by order of the Commission President.

No. 84-0219	Regular meeting of May 15, 1984,
No. 84-0220	Special Meetings of June 26, 1984
No. 84-0221	and July 11, 1984

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with the Brown Act, Section 54957.1, Jean Caramatti, Commission Secretary, announced unanimous adoption of settlement of litigated claim of Titan Pacific Corporation in the amount of $1,300,000 at the closed session of July 11, 1984.

* * *

E. SPECIAL ITEMS:

Items 1 and 2 were put over to the September 4, 1984 meeting.

1. S.F.I.A. Police Office of the Year Award for 1983 - Officer Thomas J. Cunnane

Presentation of Plaque to Police Officer Thomas J. Cunnane for being chosen San Francisco International Airport Police Officer of the Year 1983.

2. Presentation of Carnegie Hero Award to Airport Police Officer Robert V. Sheehan.

* * *

F. DIRECTOR'S REPORTS:

3. Report on the I-380 Highway Construction Program

Report on progress of the I-380 Highway Construction Program.

Mr. Lou Turpen, Airport Director, said the report was self-explanatory. He said the contract was awarded to the low bidder on July 20. Construction on the Airport Interchange would begin in August, taking from 2 to 2-1/2 years to complete.

Mr. Turpen explained that it will be done very much in the same fashion as the Highway 92 Interchange where the existing Interchange will be kept operating until new segments open.

Mr. Turpen said that a Garter Snake report has been included.

4. One Hour Film Developing Lease

Report recommending specifications and bidding of a lease of One Hour Film Developing Service in the International Terminal Building.

Mr. Turpen said that at Commissioner Kadish's request staff took a look at film developing as a potential concession. He said that the results of the survey indicated that there seemed to be some need for this service at the Airport.

Mr. Turpen said staff was recommending placing it in the North Connector next to the Barber Shop.

Commissioner Goosby thought that the figures should be given a second look and that there should be a pre-bid conference.

Mr. Turpen said he will return to the Commission after the pre-bid conference with the specs and comments.

Commissioner Kadish assumed that these were just the proposed specifications as there were no cameras listed and the film size and number was limited. She said that 35mm film was not listed.

Commissioner Goosby asked if any other concession sold cameras.

Mr. Turpen responded that Duty Free sold cameras.

Commissioner Bernstein thought this type of concession might be good for the minority program and in that case he did not feel that the Airport should burden someone with a $10,000 minimum bid. He suggested that the Airport make the minimum very low but preferred that it be eliminated.

Mr. Turpen said the item would be brought before the Commission at the next meeting with the appropriate amendments.

* * *

Mr. Turpen introduced the South Terminal carpet as a verbal Director's Report. He felt that the terrazzo in the South Terminal lobby is still very serviceable and asked Jason Yuen to report back to the Commission. He felt that due to the problems with the carpet in the Central Terminal the terrazzo in the South Terminal should be kept. He also said that this did not mean that the boarding areas would not be carpeted.

Commissioner Kadish asked if this had been discussed with Howard Friedman.

Mr. Jason Yuen, Administrator, Bureau of Planning and Construction, responded that Mr. Friedman is doing a study and will report back to the Commission next week.

Commissioner Fleishell said that he hoped different ashtrays will be used in the South Terminal than were used in the Central Terminal. He said that 30 percent of the tops are missing. He asked if anything has been done to replace them.

Mr. Yuen responded that Dennis Bouey, Deputy Director for Facilities, Operations and Maintenance, was purchasing replacements. He said that the ashtrays would have to be redesigned.

Commissioner Kadish suggested that ashtrays be installed in the counters of the airline ticketing areas. She had made the same suggestion for the International Terminal and it worked out very well.

* * *

G. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Goosby, referring to a confidential communication on limousines, concurred with what staff was recommending in order to comply with the MBE/WBE ordinance. He commended staff on their efforts to conform to the regulations.

Commissioner Goosby noted that page 4 of the specifications calls for 30 percent women participation and asked for an explanation.

Mr. Peter Nardoza, Assistant Deputy Director for Business and Finance, said that there are three sets of figures in the ordinance and in the Rules and Regulations. He explained that the department, on a department-wide basis, has a goal of 30 percent MBE participation and 10 percent WBE participation. On a department-wide basis there is a set-aside requirement of 10 percent MBE and 2 percent WBE. There is also a 5 percent preference for an MBE or WBE and a 5 percent preference for a local business.

Commissioner Goosby assumed that the 30 percent WBE listed in the specifications was in error and requested that it be corrected.

Commissioner Bernstein asked for a further explanation of what the 30 percent would include, and specifically asked if the garage would be included.

Mr. Nardoza responded that the Human Rights Commission, in their Rules and Regulations, are considering all contracts and all concessions and the revenues from the garage would be used in the computation of the success rate.

Mr. Nardoza explained that there can only be a maximum of a 10 percent preference. He said that a bidder would only receive a 5 percent preference for being a minority and a woman. A bidder would get 10 percent for being a minority or woman and local.

Commissioner Bernstein asked where the Rules and Regulations came from.

Mr. Nardoza responded that they came from an ordinance passed by the Board of Supervisors.

Commissioner Goosby explained that each department examines the total expenditures for the year to determine if the 30 percent goal has been met, keeping in mind that the goal does not have to come from each contractor.

Commissioner Bernstein asked for a copy of the ordinance.

Commissioner Fleishell asked if this violates the settlement agreement with the airlines indicating that you are charging 10 percent more or earning 10 percent less.

Mr. Garibaldi responded that the issue has been raised with the people working on this and he was checking it out as well. He said that the final regulations have not yet been adopted.

Commissioner Goosby said that the settlement agreement with the airlines contains a provision that they will subscribe to rules and regulations and the laws of the City and County of San Francisco.

Mr. Garibaldi said that the airlines reserve the right to challenge.

Mr. Turpen said that there has been much interpretive confusion and Mr. Nardoza's report is based on the latest information that the Airport has and been a party to.

Mr. Turpen said he would send the Commission the latest draft.

* * *

H. POLICY REVIEW:

5. Review of Policies Adopted by the Commission from January through December, 1982.

Mr. Turpen called the Commission's attention to resolution No. 82-0094 adopted on May 4, 1982, the Small Business Enterprise policy, which will be amended contingent on the outcome of draft five and the development of rules regarding the Human Rights Commission legislation. The existing one will remain until such time as a new City policy is put together.

* * *

I. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following item was removed from the calendar prior to the meeting.

6. Airport Motor Coach Service Agreement - Authorization of Contract Specifications and Pre-Bid Conference.

Resolution approving contract specifications for operation of an Airport Motor Coach Service Agreement and authorizing staff to hold a pre-bid conference for same.

The following item was put over to the next meeting without discussion and at the written request of Stephen King of the San Francisco/ Peninsula Real Estate Forum.

7. Appeal from Denial of Request for Newsrack Space.

Appeal from denial by Director of Airports of a request to install Modular Box Racks throughout San Francisco International Airport at various designated newsrack sites for the purpose of distributing San Francisco/Peninsula Real Estate Forum.

The following item was unanimously adopted as amended.

8. Five-Year Extension of the Lease for the Public Lockers

No. 84-0222 — Resolution approving five-year extension of the Public Locker Lease to American Locker Company, Inc. pursuant to revised rental and improvement programs.

Commissioner Kadish said that the words "and surrounds and trim" should be added to the sentence "American Locker will repaint all lockers..." She also suggested that the 30-month period be shortened and called attention to the condition of the lockers in the Central Terminal after only 12 months.

Mr. Turpen said the suggested language will be inserted and the length of time changed to 12 months or as the need arises.

Commissioner Kadish hoped that the unsightly looking areas will be fixed as soon as possible.

The following items were unanimously adopted.

9. Revised Five-Year Capital Projects Plan

No. 84-0223 — Resolution approving the Airport's revised Five-Year Capital Projects Plan (dated July 18, 1984).

10. Resolution Approving Alternate E-4 and Transfer of Funds for Double Glazing the Airside Window Wall in Contract 1410EF, South Terminal Phase II - $97,000

No. 84-0224 — The original bid for Contract 1410EF included a $97,000 bid item for Alternate E-4, Double Glazing the Airside Window Wall. This work is needed to maintain the interior aesthetic standards established by the architect. This work will be funded from the surplus between the awarded amount and bid budget.

11. Preventative Maintenance Program Agreement

No. 84-0225 — Resolution authorizing Director to ratify Preventative Maintenance Program Agreement between the Airports Commission and "Crothall Systems West."

Mr. Turpen explained that this was as a result of the Commission's prior directive to purchase software.

Commissioner Kadish asked how long it would be before the Airport had a program in use by Airport staff.

Mr. Dennis Bouey, Deputy Director for Facilities, Operations and Maintenance, said the current contract expires in March, 1985. The in-house program voted on at the last meeting and before the Commission again today will be in place by that time and working. The dry-run is expected to take place in November.

Mr. Turpen said the Crothall System went into operation three or four years ago and the Airport has been operating under the Crothall preventive maintenance system and scheduling system since that time. This allows the Airport to take over and utilize some of their equipment.

Mr. Bouey said that the $40,000 payment does two things: it pays for the start-up costs (the translation of the software in its current language to the computers that are used at the Airport) and, it pays for the royalty fee for three years. He said that unless there is some potential expansion that is not seen now, staff will not have to come back to the Commission on this for three years.

Commissioner Goosby assumed that within those three years the Airport could develop its own software package.

Mr. Bouey said that could be done at any time, however, at the last meeting staff presented four or five different options to be reviewed and, in comparison to a program that is running and is effective, that option was rejected as not being cost effective.

12. Award of Airport Contract No. 1535R-1
Reroofing of Engineering Building

No. 84-0226 — Resolution awarding Contract No. 1535R-1, Reroofing of Engineering Building, to the low bidder, THE BRYANT ORGANIZATION, INC., 3229 San Leandro Street, P.O. Box 24081, Oakland, CA 94623, in the amount of $107,908.00.

13. Approval of Rental Credit to Host International, Inc.

No. 84-0227 — Resolution approving Rental Credit to Host International, Inc. in an amount not to exceed Two Thousand Dollars ($2,000.00)

14. Award of Contract No. 1433
South Terminal Aircraft Apron Paving, Phase II

No. 84-0228

Award of Contract 1433: South Terminal Aircraft Apron Paving, Phase II to Ghilotti Brothers, San Rafael, CA in the total amount of $3,534,845.00. Construction budget for this work is $4,700,000.00.

The following item was adopted by a 3-2 vote with Commissioners Kadish and Goosby casting the dissenting votes.

15. Award of Airport Contract No. 788
Extension and Redesignation of Taxiways A & B

No. 84-0229

Resolution awarding Contract No. 788, Extension and Redesignation of Taxiways "A" and "B" to McGuire & Hester, 796 - 66th Avenue, Oakland, CA 94621.

Commissioner Bernstein asked Mr. Michael Fitch, attorney for Kasler Corporation, if he wished to address the Commission.

Mr. Fitch, attorney for the second lowest bidder on this contract, introduced Mr. Taylor, a project superintendent currently performing work at the Airport.

Mr. Fitch said a bid protest was filed against the award of the contract to the apparent low bidder, McGuire & Hester. Mr. Fitch contended that there were a number of material deficiencies in McGuire-Hester's bid which would render the bid non-responsive.

Mr. Fitch said his purpose was not to castigate McGuire-Hester or accuse them of any wrong-doing but to get a reading from the Commission as to what it will and will not allow in the future.

Mr. Fitch went through the McGuire-Hester bid and enumerated the deficiencies. He said that the bid price was to be listed in words and figures but McGuire-Hester's bid was listed only in figures, offering them a distinct advantage.

Commissioner Goosby asked if there was a legal reason for listing the bid amount in that manner.

Mr. Garibaldi responded that it is a requirement of the City's Administrative Code. He said that his office advised staff that failure to include the words is a technical defect which the Commission has the discretion to waive. He said that the competitive bidding process was for the benefit of the City and not the bidders.

Mr. Fitch said that the contractors are required to list the size and capacity of all equipment to be used on the project. He said that unless the Airport has knowledge of the type of equipment a contractor has, an evaluation of whether or not he can perform the project cannot be made. He felt that the information offered by McGuire-Hester was inadequate.

Commissioner Bernstein felt that a technical error on the part of a bidder should not result in a loss of $120,000 to the Airport.

Mr. Fitch said that the awarding of contracts in public works is within the almost unlimited discretion of the Commission with the one limitation that the Commission cannot act arbitrarily or capriciously. He said that they are trying to determine if, in the future, the Commission will be arbitrary and capricious. If, the next time a project goes out to bid, a contractor submits a sloppy bid then the Commission opens itself up to a charge of obusive discretion.

Commissioner Goosby said that he understood the point that Mr. Fitch was making. The rules are to be followed and, if they are not, where is the line drawn. He felt that the omission of a description of the equipment was more than a technical defect.

Mr. Fitch made the point that a bond tells whether or not a contractor is qualified, whether or not the contract will be complete and whether or not the contract will be performed in an adequate manner. The same is true in this instance. The Commission must have a basis for evaluating a contractor's equipment and his ability to perform that contract.

Mr. Garibaldi commented that legally it is viewed as a technical defect which the Commission has the descretion to waive.

Mr. Fitch called the Commission's attention to page 9 of the McGuire-Hester bid and said that they failed to comply with the instructions and Section 4104 of the Government Code in not listing the portion of the work for which the subcontractor will be responsible and the cost at which the subcontractor will perform the work. He said that by leaving out the costs you are facilitating bid chiseling and bid shopping. The subcontractor listing law was specifically put into the Government Code to prevent bid shopping and to lessen the opportunity for bid chiseling.

Commissioner Kadish asked Mr. Garibaldi on what basis this was judged to be a technical defect.

Mr. Garibaldi responded that it was based on staff's analysis and past interpretations on provisions similar to this which the Commission has waived as technical defects.

Mr. Bouey said that when this issue came up the City Attorney's Office was asked to review the matter. After careful review it was determined that they were technical defects. He said that these specific issues have happened in the City before and the Commissions involved has awarded to the lowest bidder. The Commission recently awarded the Williams-Burrows contract under the same circumstances. Mr. Bouey further informed the Commission that the City Attorney recently determined that the burden of proof in not awarding to the lowest responsible bidder is so substantial that there must be a clear cut cause to prove that he materially was favored in order to be awarded that contract.

Mr. Bouey said that his staff and the City Attorney feels that McGuire and Hester had no material advantage. He said that he agreed with Kassler Corporation and wished that all the blanks had been filled out but failure to do so is viewed as a technical defect.

Commissioner Kadish asked what control the Airport has over a contractor who wants to substitute one subcontractor for another after the job has been started.

Mr. Bouey responded that the request will be reviewed as well as the circumstance for request of change. It would first be related back to the bid amount for that particular item.

Mr. Garibaldi interjected that substitutions must also be approved by the Commission and there are specific grounds in the Code for which a substitution can be granted.

Commissioner Fleishell said he was satisfied with staff's recommendation.

Commissioner Goosby felt that all requirements should be met and this should not be a precedent encouraged by the Commission.

Commissioner Fleishell asked why better instructions couldn't be provided warning bidders that blanks must be filled in or they will lose the bid.

Mr. Turpen responded that the Commission does not have to waive the technical defects but a blanket rule may not be appropriate.

Commissioner Kadish said that her principle concern was the issue of bid shopping. She said that although the last point that Mr. Bouey made clarified the issue that it must be brought back to the Commission for approval, by that time the Commission would have forgotten many of the facts. She hoped that a process could be developed which would express the Commission's disfavor.

* * *

J. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

16. Computerized Ground Transportation Information Contract - Time Extension

No. 84-0230	Resolution authorizing an extension of time for the contract between the City and Forum Communications, Inc., to develop, install and maintain the Computerized Ground Transportation Information System. The modification to the contract would be made at no additional cost to the City.

17. Statistical Adjustments 1984-85 Joint Use Billing Under New Lease and Use Agreement

No. 84-0231	Resolution adjusting 1984-85 joint use billing pursuant to Section 101.W of the Airline-Airport Lease and Use Agreement for America West Airlines.

18. Settlement of Claims not Exceeding $2,500.00

No. 84-0232 — Resolution approving the action of the Director of the Airports, with the approval of the City Attorney, in the settlement and compromise of claims not exceeding $2,500.00. Total $26,620.21.

19. Resolution Approving Modification No. 0003 to Contract DOT FA76WE-3747 between the Airports Commission and the FAA for Relocation of the Air Traffic Control Tower

No. 84-0233 — Resolution approving Modification Number 0003 to Contract DOT FA76WE-3747 between the Airports Commission and the FAA for relocation of the Air Traffic Control Tower. Present contract calls for lump sum payment of $2,100,000 to the Airport upon completion of all work. This modification revises the payment schedule to 1) require payment of $1,900,000 by the FAA upon occupancy of the new Control Tower and 2) release of remaining $200,000 upon completion of the 7th floor renovation.

20. Acceptance of Amendment No. 2 to Grant Agreement for ADAP No. 5.

No. 84-0234 — Resolution accepting Amendment No. 2 to ADAP Project No. 8-06-0221-05 Grant Agreement and authorizing the Director to accept and execute said amendment.

This amendment amends the grant amount from $829,302.00 to $878,699.73 to cover inflationary cost increases.

21. Resolution Approving the Assignment of Contracts and Requesting the City Controller to Transfer Funds from Contract 1410C-1 to Contract 1410EF

No. 84-0235 — Work under Contract 1410C-1 (Steel Panels Tunnels A & C) will be combined with Contract 1410EF (South Terminal Renovation Phase II) as provided by the contracts. Funds need to be combined accordingly. No change in total contract amount nor budget.

22. Bid Call: Airport Contract No. 1608
Silt Removal, 1984

No. 84-0236 — Resolution approving the final plans and specifications and authorizing the Director to call for bids for Airport Contract No. 1608, Silt Removal, 1984.

23. Airport Contract No. 1336
Emergency Airfield Pavement Repairs - FY 1983-84
Modification No. 1 (Type 2) Extension of Time

No. 84-0237 — Resolution approving a modification of contract extending the completion date from September 24, 1984 to March 31, 1985 at no additional cost to the City.

* * *

K. COMMUNICATIONS:

There was no discussion by the Commission.

* * *

L. TRAILING CALENDAR:

There was no discussion of trailing calendar items.

* * *

N. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 3:05 P.M. to go into closed session.

Jean Caramatti
Commission Secretary

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MINUTES

AUGUST 21, 1984

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LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

Index
of the Minutes
Airports Commission

August 21, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A.		CALL TO ORDER		3
B.		ROLL CALL		3
C.		ADOPTION OF MINUTES	84-0239	3
D.		ANNOUNCEMENT BY SECRETARY		3
E.		DIRECTOR'S REPORTS		
	1.	Self-Service Luggage Cart		4
	2.	Automobile Service Station		4-5
	3.	Progress on Contract 1013: Computerized Parking Control System		5, 8-9
	4.	Monitoring Trial Basis Activity		6
F.		ITEMS INITIATED BY COMMISSIONERS		6
G.		POLICY		
	5.	Appeal from Denial of Request for Newsrack Space	84-0240	6-8
H.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE		
	6.	Modification to Professional Services Contract - Cerand & Company	84-0241	8-9
	7.	One Hour Film Developing Lease/Bid - Specifications and Pre-bid Conference	84-0242	9-10
	8.	Approval of Subleases and Subtenants - North Terminal Hub-Principal Concession Lease Agreement	84-0243	10-11

Calendar Section	Agenda Item	Title	Resolution Number	Page
I.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS		
	9.	Award of Contract No. 919C Reconstruction of Airfield Perimeter Dike - Runway 19L	84-0244	11
	10.	Award of Contract No. 1299 Removable Bridge at Garage	84-0245	12-15
	11.	Modification No. 21 and Final Completion of Contract No. 1015 Garage, Stage V, Final Modification	84-0246	15
	12.	Transfer of $170,100 from South Terminal Art Enrichment Funds to Art Commission	84-0247	15
J.		COMMUNICATIONS		16
K.		TRAILING CALENDAR		16
L.		ADJOURNMENT		16

Minutes
of the
Airports Commission Meeting

August 21, 1984

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 2:00 P.M., in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Commissioners Morris Bernstein, William K. Coblentz, Ruth S. Kadish,
	Commissioner Z. L. Goosby arrived at 2.05 P.M.
Absent:	J. Edward Fleishell

* * *

C. ADOPTION OF MINUTES:

No. 84-0239	The minutes of the regular meeting of May 1, 1984 were adopted by order of the Commission President.

* * *

D. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Section 54957.1, Jean Caramatti, Commission Secretary, announced the unanimous adoption of Resolution No. 84-0238 regarding the settlement of a litigated claim at the Closed Session of August 7, 1984.

* * *

E. DIRECTOR'S REPORTS:

1. Self-Service Luggage Cart

Report recommending proposed specifications for the Lease of a Self-Service Luggage Cart Operation at the Airport.

Mr. Lou Turpen, Airport Director, said that this item relates to the concept advocated by the Commission of providing free carts to arriving international passengers. Staff has prepared a self-service luggage cart specification which basically would parallel the existing system. He said that carts would be free of charge to arriving international passengers and would not be confined to the Customs area.

Mr. Turpen said that this was the suggested outline for the specifications and a pre-bid conference. If the Commission has no suggestions or amendments to the outlined specifications staff will return on September 4 with a request for authorization to hold a pre-bid conference and to bid the cart operation.

Commissioner Coblentz said it was his understanding that there will be 800 pay carts and 400 free carts. The 400 free carts can be taken anywhere on the Airport and a quarter will be refunded if returned. He wondered if it would be worthwhile for a bidder to supply 1200 carts, 400 of which would be free? He said he would not submit a bid.

Mr. Turpen responded that initially there would be a $1.00 fee for carts outside the Customs area. He said that it could be a negative bid and he hopes to have the private sector provide this system which he feels is best for the Airport.

Commissioner Kadish noted that Section 7, as referred to in the statement included in the specifications: "...all such island types shall be self-contained,...and be of such an aesthetic design as is first approved by City per Section 7 herein" was missing. She assumed it meant that it would go through the Airport's regular design review procedure and asked that the wording be clarified.

Mr. Turpen commented that the existing operator feels that if an incentive is offered to return the cart the labor costs will drop dramatically.

Mr. Turpen said the item would be brought back before the Commission on September 4 for approval.

2. Automobile Service Station

Report resubmits the approved Automobile Service Station lease specifications for Commission review.

Mr. Turpen said the specifications that have been outlined are to be presented at the pre-bid conference. He said that if there are no amendments staff will proceed with the pre-bid conference as previously authorized by the Commission.

Mr. Turpen explained that the minimum bid was formerly 24 percent of gross receipts but is now 3 percent of gross receipts.

Commissioner Bernstein said he would vote against this as he felt someone with greater experience was needed. He thought that a real estate firm or specialists in leasing should handle this.

Commissioner Goosby joined the meeting at this point.

Commissioner Bernstein said that he could not vote for a reduction in rent regardless of the cause.

Commissioner Kadish expressed concern over the service stations contacted causing her to wonder about the calibre of the people approached to bid.

Mr. Turpen commented that the circumstances that existed in 1968 when this was last bid have changed dramatically and explained that the cost of gasoline in 1968 as opposed to the cost today may have been a factor in the bid. He said that contact with the major oil companies has indicated that circumstances have changed to the degree that a 24 percent of gross rental is not consistent with the industry today. If the Commission desires he will take a look at the possibility of allowing a third party to develop lease specifications and assist the Airport in bidding it.

Commissioner Coblentz stated that a brokerage firm could give the Airport some idea of what is currently happening in the market.

Mr. Turpen said staff will approach the major leasing companies.

Commissioner Bernstein did not feel that staff was equipped to handle this. He did not feel that the location was for the average gas station operator.

Mr. Turpen, as a point of clarification, told the Commission that the bid specifications intentionally do not authorize heavy-duty maintenance at the service station. This was to avoid establishing a major repair facility on a roadway.

The Commissioners agreed that this was consistent with their thinking.

The following item was put over until Item 6 was reached and was then discussed in conjunction with that item.

3. Progress on Contract 1013:
Computerized Parking Control System

Report on progress to date of Computerized Parking Control System contract awarded to Autoscan Systems, Inc. (Relates to calendar item No. 6)

4. Monitoring Trial Basis Activity

Report outlining the criteria for monitoring trial basis activity.

Mr. Turpen said that Teleguide was to be the first effort in establishing a generic procedure. This is the suggested concept with the generic description of how to approach the evaluation and the specifics with regard to the evaluation.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Kadish suggested that it would be helpful to provide services at the Airport such as duplicating machines. She also thought that secretarial services could be augmented.

Commissioner Goosby felt that a need should be established. He wasn't sure that such services were necessary.

Commissioner Kadish asked that it be placed on the trailing calendar for the first meeting in October.

* * *

G. POLICY:

The following item was unanimously adopted.

5. Appeal from Denial of Request for Newsrack Space.

No. 84-0240

Appeal from denial by Director of Airports of a request to install Modular Box Racks throughout San Francisco International Airport at various designated newsrack sites for the purpose of distributing San Francisco/Peninsula Real Estate FORUM.

Commissioner Bernstein called on Mr. King to address the Commission.

Mr. Stephen V. King, Circulation Manager, San Francisco/Peninsula Real Estate FORUM distributed information to the Commissioners. (see attached.)

He said that on April 30 he submitted a letter to Mr. Lanzilla requesting space in the Airport, and subsequently received a letter dated June 20, 1984 denying the request. The reason for denial was that the publication, the San Francisco/Peninsula Real Estate FORUM, is not a newspaper and therefore not eligible for distribution through a newsrack.

Mr. King distributed copies of the magazine to the Commission and said that he felt that they do disseminate news in the form of this advertising medium in the fact that over 100 of the largest real estate offices in San Francisco and the Peninsula, as far South as Redwood City, do receive the magazine on a contractual basis. He asked the Commission to reconsider its position.

Commissioner Coblentz said he was familiar with the publication and would vote to sustain staffs' decision. He said that there is a severe limitation of space and curb space is important for adequate ingress and egress of passengers and too valuable to sell newspapers.

Commissioner Bernstein agreed with Commissioner Coblentz and said he too would be ready to sustain staff.

Commissioner Kadish felt very strongly that the line stops here as has been enunciated and would not go for increasing or having any further publications in this area.

Mr. Turpen recommended rejection of the appeal and adoption of the resolution supporting his recommendation.

Mr. King said that he understood that there is a possibility that other publications would approach the Commission in the future but his concerns were of their constitutional right to distribute the magazine in public areas such as the Airport. He said he understood there are some very strict guidelines and they are willing to cooperate.

Commissioner Bernstein asked if his magazine/pamphlet was in a different class than a Macy's or Emporium brochure or Consumer's Digest?

Mr. King responded that he would not want to separate his publication from any other publication. That's all part of the ability of the First Amendment to allow freedom of the press and speech.

Commissioner Bernstein said that if Mr. King could find a publication at the Airport he felt was in his class he could try again.

Commissioner Coblentz responded that he did not want to limit it to class. He said that the sole ground for denial is safety. He did not want to have any more papers there to impede the safety of the pedestrians. He felt that passenger safety took precedence over free speech.

Mr. King responded that just before this matter was called up he heard Commissioner Kadish request that staff look into the possibility of installing copy machines for public use.

Commissioner Kadish responded that copy machines would be in certain very small areas and those locations would be apart from newspaper vending machines. Newspaper vending machines, for the most part, are outside of the terminals.

Mr. King said that there are pedestal racks now in the process of being installed inside the Central Terminal.

Mr. Turpen responded that they will be in the alcoves.

Mr. King said that is what he would like.

The roll was called.

* * *

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

Item 3, a Director's Report, was discussed in conjunction with Item 6, which was unanimously adopted.

3. Progress on Contract 1013:
Computerized Parking Control System

Report on progress to date of Computerized Parking Control System contract awarded to Autoscan Systems, Inc. (Relates to calendar item no. 6)

6. Modification to Professional Services Contract - Cerand and Company

No. 84-0241

Resolution to extend to December 31, 1985 the professional services contract between the City and Cerand & Company, and to authorize additional funds totalling $31,650 to be allocated for additional work to be performed under said contract.

Mr. Turpen said this was a question of Cerand's extension as well as the Autoscan situation. He asked Sheldon Fein, Landside Operations, to brief the Commission.

Mr. Fein said that there have been problems with Autoscan, the contractor for the parking control system, from the inception of the contract through June. At that time notices were sent to them and their bonding company. After several meetings staff was flown in from the main office overseas and the existing staff working on the project was let go. Since late June they have given the Airport a commitment that they would conform with the contract. They have provided schedules that list approximately 90 major items and deadlines along with actual weekly time periods. During the past month they have basically been meeting their deadlines. Mr. Fein said that up to this point staff and Cerand have been meeting and reviewing documents.

Mr. Fein hoped that many of the problems to date have been resolved. As a result of these problems the new schedule anticipates completion of the project in March, 1985, three months after the original contract completion date of mid December.

Commissioner Bernstein said that if the additional funds were necessary because of the delays with Autoscan then shouldn't the Airport proceed against them?

Mr. Woods responded that the Airport's only remedy against Autoscan is liquidated damages. He explained that the Government Code provides that public entities, such as the City, may assess liquidated damages in their construction contracts and they are not bound by the requirements of the Civil Code which require that they be negotiated. Thereafter, the City may not throw out the liquidated damages remedy and sue Autoscan for tardy performance, for extra cost of consultation, engineering fees, etc. Liquidated damages entitles the Airport to $750 for each calendar day over the designated completion date that the project remains unfinished.

Mr. Woods further explained that in this case since the scheduled completion date will be exceeded by two to three months the liquidated damages will run about $70,000 to $80,000. The modification to the Cerand contract is around $30,000 to $35,000 so the liquidated damages will more than compensate for the extra cost.

Commissioner Kadish said that there have always been extenuating circumstances which balanced out against the Airport collecting those damages. She did not want history to repeat itself and asked that steps be taken to guard against it.

Mr. Woods responded that Steve Gregory, the Project Manager, has gone through elaborate detail in establishing through correspondence the lack of timely performance and inefficiency by Autoscan. He also explained that there was no guarantee that the presiding judge would not push for liquidated damages.

Commissioner Goosby hoped Mr. Fein would be blunt about the problems with Autoscan if approached by other airports.

Mr. Fein responded that several airports have had similar problems and staff is in constant touch with them.

The following items were unanimously adopted.

7. One Hour Film Developing Lease/Bid Specifications and Pre-Bid Conference.

No. 84-0242 — Resolution approving the specifications and terms for the lease of One-Hour Film Developing Service/Operation and authorizing staff to hold a pre-bid conference for same.

Mr. Turpen said this is a return of a previous item. The minimum acceptable bid has been removed and the question of film and added camera sales has been clarified.

Mr. Turpen brought to the Commission's attention the 10 percent of gross rent. The Commission wanted to eliminate the minimum acceptable bid but since he could not recall if there was any comment on the percentage gross or not, he left it at 10 percent.

Commissioner Goosby asked how it would be bid.

Mr. Turpen responded that there will be a percentage rent (10 percent of gross) against the minimum that is bid.

Commissioner Bernstein said that during a previous discussion he suggested that this might be a good opportunity for a minority or small business. He was not sure that 10 percent of gross should be used and felt that some of the usual requirements should be waived, such as the $5,000 bond.

Mr. Turpen said staff can take another look at it.

Commissioner Kadish asked if an attempt had been made to assess what type of response there would be.

Mr. Turpen responded that staff could proceed with the pre-bid to solicit comments.

Commissioner Kadish said that if there is insufficient minority/small business response then staff should re-do the bid.

Commissioner Goosby suggested that it could be tested by putting it out on a permit basis.

Mr. Turpen said that since he is unsure of the capital investment required and a permit is only good for a six-month trial he was not sure it would be worth the investment.

Mr. Turpen again asked that staff be allowed to hold a pre-bid conference and solicit comments. He said he would also take a look at the City's minimum requirements for bidding.

The Commission did not oppose the recommendation.

8. Approval of Subleases and Subtenants - North Terminal Hub Principal Concession Lease Agreement.

No. 84-0243	Resolution approving affirmative action sublease and subtenants of Duty Free Shoppers, as North Terminal Hub Principal Concessionaire.

Mr. Turpen called the Commission's attention to page 11 of the second lease regarding the sale of chewing gum.

Commissioner Coblentz suggested that chewing gum be omitted from the bid and not be sold in the South Terminal.

Mr. Turpen suggested coming before the Commission on September 4 with a policy that would guide the Airport's leasing decisions as the North Terminal concessions come up for re-bid and as the South Terminal comes up.

Mr. Turpen said that the North Terminal connector and other carpeted areas of the Airport receive substantial abuse from gum.

Commissioner Goosby said concessionaires should be told the reason chewing gum is not allowed in newsstands. He received a call from a concessionaire who was told he could not sell gum but was not told why.

Mr. Turpen said letters were sent.

Commissioner Goosby said that the concessionaire made a considerable amount of money on gum sales.

Mr. Turpen said he would bring this back as a policy at the September 4 meeting and the public will have an opportunity to comment.

Mr. Turpen also pointed out that the minority participants in the program will be owner-operators of the shops, as in the Central Terminal.

Commissioner Kadish asked how this is monitored.

Mr. Turpen responded that the minority/small business operator must be available a certain percentage of the operating hours. They are permitted to reduce those hours, with the Director's approval, as the concept is to phase them out of the operator role and into a manager role. The original intent was to prepare them to hire other people and place themselves in a position to bid other concessions at the Airport.

Commissioner Goosby felt that the stipulation requiring their presence was unfair, demeaning and unnecessary.

Mr. Turpen said that when Duty Free consented to furnish the entire set-up in the Central Terminal and devote 25 percent of the principal concessionaire space to minority opportunity, the thinking was that those persons selected by Duty Free would come in, be trained by Duty Free, and work in their own business.

Commissioner Goosby responded that that was not the concept he had in mind. He argued that they already had businesses. Some of them are very experienced operators who wanted the oportunity to work in the Airport. He said staff was assuming that they are inexperienced because they are minorities.

Mr. Turpen said that in those cases the operators can ask that the requirement be waived. The problem staff is trying to avoid is getting a minority operator with no experience. He said that to date there has been no complaint or disagreement with the philosophy and that it has worked out well.

Commissioner Goosby said that what staff has been doing is satisfactory and he has not received any complaints.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

9. Award of Contract No. 919C
Reconstruction of Airfield Perimeter Dike - Runway 19L.

No. 84-0244

Resolution awarding Contract No. 919C to Homer J. Olsen, Inc., P.O. Box 993, 35500 Olsen Way, Union City, CA 94587 in the amount of $768,500.

Five bids were received on August 7, 1984, ranging from $768,500 to $979,696.

10. Award of Contract No. 1299
Removable Bridge at Garage.

No. 84-0245 — Resolution awarding Contract No. 1299 to Ceco Construction, 690 South 31st Street, Richmond, CA, in the amount of $31,864.

Six bids were received on July 24, 1984, ranging from $31,864 to $47,850.

Mr. Bouey said that he received a call this morning from Stan Smith of the Building Construction Trades Council informing him that the iron workers were going to protest the award of this contract but since it appears that there is no protest at this time, he recommended the Commission adopt the resolution.

Mr. Turpen asked Mr. Bouey if he knew the basis of the protest.

Mr. Bouey responded that this item has come to the Commission twice before. He said that one code section of the City's Administrative Code states that the City must require proof of participation in a recognized apprenticeship program. This is also required in our specs. The very next section in the same Code says the Commission may reject an award to a company if it does not offer proof of participation. At the same time there is a State Code that says a company must apply for participation.

He said that the City Attorney, in the past, has advised us that he thinks that the State Code section is the prevailing one. In this case Ceco Company has applied for participation in a recognized apprenticeship program. Since the apprenticeship program committee has not met yet it has not been decided whether or not they will be approved. However, Ceco Company has met the test of the State law in applying.

Mr. Bouey said that this is a relatively small contract. He said that the time in which to hear it cannot be extended but he has prepared a substitute resolution if the Commission wishes to reject all bids and staff would be willing to re-bid this at a later date if it should be necessary.

Mr. Walter Vestnys, Apprenticeship Coordinator representing the Apprenticeship Program, spoke on behalf of the fair contractor.

Mr. Vestneys said the Apprenticeship Committee did not receive a request for authorization until the 16th of August and his committee, which consists of three management members and three labor members, is difficult to assemble in a short period of time.

He said any contractor, unknown to the committee, must be investigated when permission is requested to train apprentices. The investigation includes their safety record and work. Applying for this request on the 16th of August does not give the Committee ample time for its investigation. Therefore, he is not an acceptable contractor under the regulations and he asked the Commission to consider going to the next bidder.

Commissioner Goosby asked Mr. Vestneys if the reason for their unacceptability stemmed from the lateness of the request.

Mr. Vestnys responded that it was his understanding that a contractor has to have the right to train apprentices before a bid can be accepted.

Commissioner Coblentz responded that the City Attorney opined that the State Code says you must apply. He asked the amount of the next bidder.

Mr. Bouey responded that the second lowest bidder, the Dalzell Company, is $500 more than the lowest bidder and is a signatory to the apprenticeship program.

Commissioner Coblentz asked if it was true that they complied as a contractor bid but filed on the 16th.

Mr. Jim Woods, Deputy City Attorney, responded that the records indicate that the application was filed in the middle of July and there has been no action to this point.

Mr. Bouey added that he has a copy of the contractor's letter to the State dated July 30 requesting permission to join the apprenticeship program.

Mr. Vestnys said he received this information from the State on the 16th of August. He asked that the Commission respect the integrity of the Apprenticeship Program.

Commissioner Goosby said that he respected the Apprenticeship Program and the commitment of management and labor to the program but questioned the disqualification of a contractor because he was late in submitting his application. He said he would rather bid it again than to disqualify someone for that reason.

Mr. Turpen commented that in the past the Commission has rejected and there have been instances when some of the contractors have not come back to bid. He felt that it was because of the process involved rather than a question of their qualifications.

Commissioner Coblentz commented that the Airport-Student Career Awareness Program was turned down. He agreed with Commissioner Goosby and suggested re-bidding it if there were no time constraints.

Mr. Woods responded that the Commission was not obligated to reject; they had the discretion to award.

Mr. Woods said that as far as the State Labor Code is concerned the low bidder has met the requirement by applying. Thereafter, if the contractor does not qualify for the program he must pay a penalty of $50 a day for every day he works on a public contract while not being a party to the Apprenticeship Program. In addition, since the contractor is in violation of the Labor Code he will be prohibited from bidding on any public project in the State of California for one year from that date. However, at this point the Commission need only concern itself with whether or not, in its discretion, it deems it the best action to award or reject.

Commissioner Goosby asked if an Apprenticeship Program could be developed and granted under these circumstances.

Mr. Vestnys responded that he didn't know enough about the company or their operation. He would have to investigate.

Commissioner Coblentz asked how long it takes the committee to act?

Mr. Vestnys responded that their scheduled meetings are the last Monday of each month and they are off for the summer. Their next meeting will be the end of September. He said that in the last two days he had attempted to contact the chairman, who is in Sacramento, and the secretary, who is at another meeting until Thursday, to get some direction from them. He said that he does the footwork but they must sign it.

Mr. Woods said that the Commission has the option to reject all bids and re-bid. Part of the problem is that this Commission cannot defer to another entity's time schedule. He suggested that some procedure be worked out so that the Commission is not placed in this position again.

Mr. Turpen commented that this situation came up two to three months ago. It was not a question of the contractor's qualifications, it was simply a question of his gaining the necessary local approvals vis-a-vis the State application. In that situation the Commission rejected all bids and the contract was re-bid.

Mr. Bouey, addressing Mr. Woods' comment about a procedure, said that it had been discussed at a previous meeting. He said that we are caught in this constant Catch-22 situation. For instance, this contract only has 30 days in which it must be bid. The committee does not meet for 60 days.

Mr. Vestnys said that there are other bids that could be considered.

Commissioner Bernstein said that he was thoroughly sympathetic to Mr. Vestneys' position. He said that the other bids were considered and explained that this was the low bid and the Commission cannot reject a low bidder unless it is for cause.

Mr. Bouey explained that this particular bid has to be awarded within 30 days of the opening of the bid date, which was July 24, or it must be rebid.

Commissioner Goosby said he would go ahead and give it to the low bidder. Our attorney has indicated we are at the mercy of a time schedule. If the Committee saw the sense of urgency about their Apprentice Program they would meet every week in order to get these applications approved. He suggested awarding the contract with that proviso and that the Committee be told that although the Commission is sympathetic to the program they can not allow the time deficiencies of the Apprenticeship Committee to interfere with the progress at the Airport.

Mr. Vestnys asked why the Statement of Awareness and Intention was drafted and circulated leading them to believe that no bid would be considered unless the contractor had the right to train apprentices in any San Francisco work.

Mr. Woods responded that he has not seen the document.

Mr. Vestnys said it was drafted and voted on four or five months ago.

Mr. Woods said that the Administrative Code, Section 6.46 and 6.47 gives the Commission the discretion to reject a bid if it is deemed in the best interest of the City and County of San Francisco if the apparent low bidder is not a signatory to a recognized apprenticeship program with the State of California Division of Apprenticeship Standards. The Commission is not bound to reject the bid. In this

instance the Commission is making the determination for: 1) service time constraints, and 2) the Commission cannot forfeit its duty to timely run the Airport because the Apprenticeship Committee cannot meet within sufficient periods to decide whether or not the apparent low bidder has qualified for the Apprenticeship Program. He said that the Commission is not disregarding Section 6.46 and 6.47 of the Administrative Code; they are complying with it in making their award. The real problem is a conflict of schedules, and the Commission, by taking this action, is by no means slighting the Apprenticeship Committee.

11. Modification No. 21 and Final Completion of Contract No. 1015 Garage, Stage V, Final Modifications.

No. 84-0246

This calendar item covers a resolution declaring Airports Contract No. 1015, Garage, Stage V - Final Modifications as finally complete, approves final Modification No. 21 to the contract in the total amount of ($900.00) (Credit) and authorizes final payment in the amount of $124,000.00.

12. Transfer of $170,100 from South Terminal Art Enrichment Funds to Art Commission for:

No. 84-0247

1. Contract with Richard Mayer to fabricate maquette for sculpture at West Entrance Roadway - $1,500.

2. Contract with Larry Kirkland for fabrication and installation of hanging sculpture at entrance to Boarding Area B, including lighting and ceiling modifications - $168,600.

Joint Committee approved these contracts on July 26, 1984.

* * *

Commissioner Bernstein said that the Airport has agreed to buy a piece of sculpture for $168,000 and asked if there is a way to determine its value.

Commissioner Coblentz responded that the value is determined by what other entities have paid for comparable pieces. American Telephone and Telegraph Company has one of comparable size and price by the same artist .

Commissioner Bernstein asked what was happening with Atari.

Mr. Nardoza responded that staff is looking at the proposals made by Atari but at this point none of the proposals have been accepted. They are expected to continue to operate their facilities and pay the monthly minimum.

* * *

J. COMMUNICATIONS:

There was no discussion by the Commission.

* * *

K. TRAILING CALENDAR:

There was no discussion of trailing calendar items.

* * *

L. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 3:10 P.M. to go into closed session.

Jean Caramatti
Commission Secretary

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August 20, 1984

SAN FRANCISCO NEWSPAPER RACK COMMITTEE
450 McAllister
San Francisco, CA 94102

Mr. Morris Bernstein
President
S.F. Airports Commission

RE: DISCUSSION OF AIRPORTS COMMISSION'S VENDING POLICY AT SAN FRANCISCO INTERNATIONAL AIRPORT DURING MEETING OF AUGUST 7, 1984.

We, the San Francisco Newspaper Rack Committee, support the San Francisco/Peninsula Real Estate FORUM in its efforts to gain access to San Francisco International Airport for the purpose of distributing its publication through newsracks in the terminals.

Tim A. Molinare
CHAIRMAN
Stephen V. King
SECRETARY

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August 3, 1984

RE: Airports Commission's vending policy at S.F. International Airport.

WE, THE UNDERSIGNED, SUPPORT THE SAN FRANCISCO/PENINSULA REAL ESTATE FORUM IN ITS EFFORTS TO GAIN ACCESS TO S.F. INTERNATIONAL AIRPORT FOR THE PURPOSE OF DISTRIBUTING ITS PUBLICATION THROUGH NEWSRACKS IN THE TERMINALS.

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August 3, 1984

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August 3, 1984

RE: Airports Commission's vending policy at S.F. International Airport.

WE, THE UNDERSIGNED, SUPPORT THE SAN FRANCISCO/PENINSULA REAL ESTATE FORUM IN ITS EFFORTS TO GAIN ACCESS TO S.F. INTERNATIONAL AIRPORT FOR THE PURPOSE OF DISTRIBUTING ITS PUBLICATION THROUGH NEWSRACKS IN THE TERMINALS.

NAME	COMPANY
[illegible]	RECORDER / DAILY COMM'L NEWS
[illegible]	SF Advertiser
[illegible]	SF. Bay Guardian
[illegible]	Free Distributed
[illegible]	Open Exchange
[illegible]	New York Times
[illegible]	The Wall St. Journal
[illegible]	Wall Street Journal
[illegible]	SFNA
[illegible]	SFNA

AN FRANCISCO/PENINSULA
Real Estate
FORUM®
2 Cleveland St. / San Francisco, CA 94103
(415) 626-4300

August 3, 1984

RE: Airports Commission's vending policy at S.F. International Airport.

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NAME	COMPANY
[illegible]	[illegible] Real Estate
Frances M. Presta	Century 21 Bill Aebly Realty
Marhabi L. Clark	Red Carpet Home Realty
Ernest Carapezza	Century 21 C & R Realty.
Ray Imbach	Bruce Dennis Properties

SAN FRANCISCO AIRPORTS COMMISSION

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MINUTES

SEPTEMBER 4, 1984

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President
WILLIAM K. COBLENTZ
Vice-President
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL
ATHENA TSOUGARAKIS

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

Index
of the Minutes
Airports Commission

September 4, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		April 17, 1984	84-0251	3
D.		ANNOUNCEMENT BY SECRETARY:		3
E.		SPECIAL ITEMS:		
	1.	Election of Officers	84-0252	4
	2.	SFIA Police Officer of the Year Award for 1983 Officer Thomas J. Cunnane	84-0250	4
	3.	Presentation of Carnegie Hero Award to Airport Police Officer Robert V. Sheehan		4
F.		DIRECTOR'S REPORTS:		
	4.	Valet Parking - January to June, 1984		5
	5.	Garage Location Reminders		5
	6.	Report on Metropolitan Transportation Commission's Peninsula Rail Study		5-8
G.		ITEMS INITIATED BY COMMISSIONERS:		- 8
H.		POLICY:		
	7.	Chewing Gum Policy		8-11
I.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	8.	Award of Contract 1275 Relocation of Utilities, Lower Level Loop Road	84-0253	11-12

Calendar Section	Agenda Item	Title	Resolution Number	Page
J.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	9.	Professional Services Agreement - Dieter C. Rapp, Interior Planting Consultant, Modification No. 4 - $18,000.	84-0254	12
	10.	Modification No. 1 to Agreement with Morris, Davis & Company	84-0255	12
	11.	Rejection of Bid and Readvertise for New Bids-Contract No. 1200B-18	84-0256	12
	12.	Rental Credit for Qantas Airways	84-0257	12
K.		COMMUNICATIONS:		13
L.		PUBLIC HEARING:		
	13.	Adoption of Fiscal Year 1984/85 Rates and Charges		13
M.		TRAILING CALENDAR:		13
O.		ADJOURNMENT TO GO INTO CLOSED SESSION:		13

Minutes
of the
Airports Commission Meeting

September 4, 1984

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 2:00 P.M., in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Commissioners Morris Bernstein, William K. Coblentz, Ruth S. Kadish, Z. L. Goosby, J. Edward Fleishell

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of April 17, 1984 were adopted by order of the Commission President.

No.84-0251

* * *

D. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Section 54957.1, Jean Caramatti, Commission Secretary, announced unanimous adoption of resolution No. 84-0248 and No. 84-0249 regarding the settlement of litigated claims at the closed session of August 21, 1984.

* * *

E. SPECIAL ITEMS:

1. Election of Officers

No. 84-0252

Commissioner Coblentz nominated Commissioner Bernstein for President. Commissioner Kadish nominated Commissioner Coblentz for Vice President. Commissioner Fleishell seconded both nominations and Commissioners Bernstein and Coblentz were unanimously elected.

2. SFIA Police Officer of the Year Award for 1983 - Officer Thomas J. Cunnane

No. 84-0250 — Presentation of Plaque and Commission Resolution to Police Officer Thomas J. Cunnane for being chosen San Francisco International Airport Police Officer of the Year, 1983.

Mr. Lou Turpen, Airport Director, introduced Officer Cunnane and said he was selected by his commanding officers for outstanding performance, personal resourcefulness, alertness to duty and individual initiative. He is credited with assisting in the formation of special training units and of the special services team which deals with V.I.P. movements, dignatary protection and other special circumstances at the Airport.

Officer Cunnane thanked his fellow officers for the award.

3. Presentation of Carnegie Hero Award to Airport Police Officer Robert V. Sheehan

Mr. Turpen introduced Officer Sheehan, his wife and daughter. He reminded the Commission that Officer Sheehan, while off-duty and without regard to his personal safety, rescued a motorist trapped in a burning automobile and that the Commission had given him recognition for his heroism.

Officer Sheehan is being awarded the Carnegie Award for Heroism, established on April 15, 1904 by Andrew Carnegie. The Carnegie Hero Fund Commission was created to recognize outstanding acts of selfless heroism performed in the United States and Canada.

Mr. Turpen said it was an honor to present the award to Officer Sheehan.

Officer Sheehan thanked the Commission, Mr. Turpen and the Carnegie Commission for the award.

Commissioner Coblentz thanked both officers on behalf of the Commission for their efforts and achievements and for the credit they bring to the Airport.

* * *

F. DIRECTOR'S REPORTS:

4. Valet Parking

Report covering the 6-month period from January to June 1984 on Valet Parking Service as requested by the Commission.

Mr. Turpen said that staff continues to monitor this operation. The price has been increased from $15 to $16 which would indicate a break even for the next period. The operation will be monitored on a quarterly basis with reports to the Commission.

5. Garage Location Reminders

Report on the result of testing two (2) location reminder machines in the garage, recommending installation of the machines in all elevator cores of the garage.

Mr. Turpen said that garage location reminders were installed in a limited number of locations to determine if the system would be successful. He said that 11-1/2 percent of those individuals using the garage used the location reminders, or, about 1300 people a day would use them if they were installed in all garage cores on all levels (about 35 in all.) Mr. Turpen recommended installing them at a cost of about $50,000 and will return at the next meeting with a resolution if there are no objections.

Commissioner Fleishell asked if this will be done in-house.

Mr. Bob Epifanio of Landside Operations responded that the units would be purchased from Cincinnati Time and installation would be done in-house.

6. Report on Metropolitan Transportation Commission's Peninsula Rail Study.

Report summarizing the status of the Metropolitan Transportation Commission's Peninsula rail study.

Mr. Turpen said he was bringing this item to the Commission for their information because it is important that they be aware of the thinking on the BART extension. He said that the Commission must face the following issues regarding the BART extension and the West of Bayshore property:

(1) should we have a BART terminal in the garage;
(2) should BART terminate on the West of Bayshore property in the vicinity of the interchange; and
(3) if so, will that be the terminus station or will it be in Millbrae?

Mr. Turpen said that if the terminus were located in the garage there would be no parking provided in the sense that the Airport would not be used as a commuter link. He said increased traffic would be

anticipated in the terminal complex. He said that the garage could be used as a parking facility if the line is extended beyond the Airport to a Millbrae station. Mr. Turpen explained that tunnels leading from BART would be connected to the existing tunnels connecting the terminals to the garage.

The second alternative is the West of Bayshore station where there might be transfers between Southern Pacific or some type of light rail system and BART. The line would terminate at the Airport and passengers would be transfered to the Airport by some sort of people-mover system. The parking options are no parking at all or parking provided on the West of Bayshore. This option could pose some problems in terms of traffic and would preclude a rental car relocation for that area with a direct on - direct off access.

Commissioner Fleishell said that the Metropolitan Transportation Commission's study is 15 years from extending BART and they have thrown in every conceivable political option available to them. Staff will have very little to say about it.

Mr. Turpen responded that the Metropolitan Transportation Commission began a rail study of the Peninsula which impacts land owned by the City and County of San Francisco and controlled by the Airport. He said that if the Commission felt it inappropriate to plan for parking on the West of Bayshore or to encourage a terminus station on the West of Bayshore those decisions can be made and input into any studies that are contemplated. If the Commission feels that a terminus station in the garage is not the appropriate avenue from a policy perspective then that can be eliminated as well.

Commissioner Fleishell asked if a plan was made to accommodate BART when the garage was built.

Commissioner Coblentz responded that $2-3 million was spent.

Commissioner Fleishell commented that if money was spent to make the accommodation why was staff considering abandoning that option. He asked if staff has coordinated this with the Public Utilities Commission who has an overall City transportation policy.

Mr. Epifanio responded that representatives of PUC and City Planning are on the study commission. The study is trying to identify whether the extension to the terminals, which would cost about $150-million more than going to the West of Bayshore, would be cost effective and whether it is practical for the Airport to compete for the funds.

Commissioner Fleishell asked if anyone checked the studies that were made when the money was spent.

Mr. Turpen said the garage capacity is presently 7,000 vehicles and that capacity will be met within 5-6 years. It is his understanding that the concept of BART is simply a mass transit alternative for passengers using the Airport and the implication of parking at the Airport to use BART were it not extended to another location was an active consideration in the sizing and planning of the garage. Mr. Turpen said that, in effect, the garage was sized to service what the Airport anticipated its closed-in parking needs to be when it reaches its ultimate capacity.

Commissioner Goosby felt that the original study should be reviewed. He also suggested that this study might be appended to the Land Use Study. This position could be presented to the State and the nine-county transit committee rather than wait to react to what is presented to the Airport.

Mr. Turpen said the purpose was to let the Commission know that a decision will be necessary in this matter. The Airports Commission, by virture of approving the preparation of the garage for accepting BART had implied a policy that that is what they wanted to do. As the location of the International Terminal was changed he felt that the Commission might want to examine the alternatives. The Commission can support one of two alternatives: an in-garage or West of Bayshore. He will return to the Commission with a charted breakdown of the in-garage alternative as requested.

Commissioner Fleishell said that based on current information he felt it would be a disaster to bring BART into the terminal as it has outgrown itself in advance of our estimates. He said that planning, financing and construction would take a minimum of 10-years. He felt it should be on the West of Bayshore.

Mr. Turpen said that Mr. Fein and Mr. Epifanio are well equipped to address this issue.

Commissioner Goosby said he would be interested in knowing what the reasoning was in planning for BART in the garage.

Commissioner Coblentz said he was on the Commission at the time and that the expectation was that BART would come to the Airport and then continue on down the Peninsula. The $2-million cost was small in comparison to what it would be to detour BART to the Airport and not have made the provision. He said it was a gamble at the time but it made sense to do it. Now the cost of bringing it into the Airport is about $100-million and it would not simply be a way station but a terminus. He did not think it likely that San Mateo would incur a tax to support this in the future.

Mr. Turpen reiterated that he felt it was important for the Commission to make a policy statement as to whether they wanted BART to come into the garage or the West of Bayshore.

Commissioner Coblentz felt that the West of Bayshore should be looked at as planning for the garage has already been accomplished.

Mr. Epifanio said that one of the functions of the study is to determine the cost estimate for a BART station West of Bayshore and the garage and then to forecast what the station would do to patronage on the line.

Commissioner Kadish felt that there should be a priority to determine the amount of disruption a particular alternative would bring to the Airport.

Mr. Turpen said that the Commission must decide, from a policy perspective, if they even want to entertain the idea of a parking facility on the West of Bayshore for BART.

The Commission agreed that would not be the best use for that land.

Mr. Turpen said that the 90 acres previously discussed would only be slightly impacted by this alternative. There is some additional acreage that is not nearly as good which could also be used. He said the Commission's decision would impact any planning to be done on the West of Bayshore in terms of the Land Use Plan.

Commissioner Fleishell asked who was doing the study.

Mr. Epifanio responded that the Metropolitan Transportation Commission contracted with Kaiser Engineering Report Management Associates.

Mr. Turpen reiterated that he would keep the Commission advised of the situation and at such time as the Commission is ready to make a policy decision, even if it is five or 10 years in advance, he feels it would be appropriate to do so.

* * *

G. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Kadish said that the "Consultant for Service Station" and "Candy Cart" should have been added to the trailing calendar and asked that it be taken care of.

Commissioner Kadish said that the date for completion of the brochure was August 1st yet the Commission has not seen a copy. She asked that one be forthcoming.

Commissioner Bernstein asked what was happening with the consultant for the service station.

Mr. Turpen responded that Ms. Gittens was talking to consultants and a list would be prepared for the next meeting.

Commissioner Bernstein asked what was happening with the photo developing concession.

Mr. Turpen responded that a pre-bid conference will be held on September 20.

* * *

H. POLICY:

The following item was put over to the next meeting.

7. Chewing Gum Policy

Resolution approving the prohibition of the sale of chewing gum within the Terminal Building Complex.

Commissioner Bernstein asked Mr. Gary Hahn of Duty Free Shoppers if he wished to address the Commission.

Mr. Hahn read the attached statement to the Commission.

Commissioner Kadish asked Mr. Hahn if his figures represented just gum sales.

Mr. Hahn responded that they track their sales by individual SKU by gum.

Commissioner Fleishell said that at least two airlines (PSA and Air Cal) offer gum to their passengers prior to landing and asked if anyone checked with the airlines.

Mr. Turpen responded that some airlines do make gum available.

Commissioner Fleishell commented that he was not sure that banning the sale of gum was the way to go.

Commissioner Goosby agreed with Commissioner Fleishell.

Commissioner Coblentz said that he did not know whether passengers purchased their gum on-Airport or off but the fact remains that it is being deposited at the Airport and ground into the carpet. This is a problem in the North and Central Terminals. Commissioner Coblentz proposed that gum be sold in the boarding areas only. He said the problem is serious and this alternative could be tried. He said that the leases could subsequently be amended if it is found that the problem is caused by passengers who are purchasing gum off Airport and depositing it on the carpet at the Airport after having chewed it for a period of time.

Commissioner Kadish added that since there are total sales of $350,000 in gum alone and if those sales are that important to the vendor then perhaps the vendor might be interested in contributing to a fund to maintain the rugs.

Commissioner Coblentz did not feel that would be proper.

Commissioner Goosby felt that concessions located prior to the boarding areas would not appreciate refering $55,000 a year in gum sales to a competing concession.

Commissioner Kadish asked Mr. Hahn if Duty Free had a stand in the International Terminal in the boarding area which sells gum.

Mr. Hahn responded that that concession only covers three or four gates.

Mr. Turpen told the Commission that Mr. Bouey has informed him that Phoenix has prohibited the sale of gum and noticed a dramatic change in their problem with gum on the carpets. He said Mr. Bouey confirms that the problem is serious. Mr. Turpen said he understands the potential for revenue but asked if the Commission would entertain a temporary prohibition with a careful review by Mr. Bouey and his staff. If the prohibition has a positive impact then it will have to be continued.

Commissioner Coblentz felt that at least a temporary prohibition was necessary to determine whether gum was being purchased on or off-Airport and that the desire for additional revenue should not overshadow the aesthetics of the Airport and the impact of gum on the carpets.

Commissioner Kadish asked if the resolution could be amended calling for a report after three months and another after six months at which time a decision would be made on whether or not the prohibition would become permanent.

Mr. Turpen explained that the problem is the phasing of the leases, and that you cannot affect existing leases. The North Terminal leases all come due between six months and one year. The International Terminal has recently been leased and the South Terminal has yet to be leased. Mr. Turpen said gum was included in all the North Terminal leases with the exception of the Hub lease. He felt that a trial period was wise but he was not sure how it would be accomplished with the phasing of the leases. He suggested putting the item over to give staff the opportunity to take another look at it and possibly solicit support for a voluntary program.

Commissioner Goosby asked Mr. Turpen to look into the feasibility of installing carts in the boarding areas for those concessionaires who would be denied the opportunity to sell gum. He said that eliminating an item from a concession diminishes Airport revenues and concession revenues in addition to potentially impacting the concessions ability to pay the Airport.

Mr. Hahn introduced Mr. Lewins Williams.

Mr. Williams said he and his wife Aida operate Uptown News and thanked the Commission for approving him for the MBE program. He has been operating Uptown News since July 20, on a 12 hour-a-day, seven days a week basis. He told the Commission that Duty Free has been very cooperative.

Mr. Williams said that the day after he opened his shop Angela Gittens told him he could not sell gum. He explained that at the time he did not realize the problems that would occur. He said that six or seven passengers per hour will request gum and become hostile when they are told it is not available. He said he directs them to the vending machine across from the concession.

Mr. Williams said that passengers can live without the Chronicle, New York Times and Esquire but when he says he doesn't have gum, there is a problem because passengers insist they need it when they get on a plane.

Mr. Williams said he and his wife printed up 100 surveys explaining the situation and asking if passengers agreed or disagreed with the Airport's position. The surveys were left on the counter and out of 100 unsolicited passengers, stewardesses, pilots, Airport janitors and police officers only seven said they didn't want gum. He said that the feeling was why should the traveling public, the people who built the Airport, be penalized. Why doesn't the Airport put up signs or provide trashcans? Why don't the architects think of a better floor covering?

Mr. Williams said the problem is serious and must be solved. Passengers want gum. He said it is gum today, it could be chocolate tomorrow.

Commissioner Fleishell agreed adding why not prohibit the sale of chewing tobacco or cigarettes. If you're talking about a rug cleaning problem, cigarette burns cause permanent damage. He felt this was absurd.

Commissioner Coblentz said he felt the prohibition should be looked into. He said that as one who has worked out at the Airport there is a great deal of difference between cleaning up gum and cleaning up cigarettes. He said he runs through the park every day and that people are slobs; they throw things everywhere; they don't care. Passengers feel it is not their Airport.

Mr. Williams said there are recordings every 20 seconds requesting people to stand to the right on moving walkways so that people can pass to the left. The Airport could have a recording about gum.

Mr. Turpen recommended putting the item over for two weeks.

Commissioner Fleishell asked why they were told they could not sell gum when there is no policy prohibiting its sale.

Ms. Gittens responded that the Commission had discussed this about eight months ago and was under the impression that there was an implied policy.

Commission Fleishell said there is no such thing as an implied policy.

Mr. Turpen said this was agreed to by the Commission, was included in the bid specifications and he specifically pointed it out. He was not certain Commissioner Fleishell was present at that time.

Commissioner Fleishell said that it is another matter if the lease prohibits the sale of gum.

Mr. Turpen said the Commission has discussed this many times and indicated they wanted to change their philosophy with respect to leases and that is why the "no gum provision" was incorporated into the latest lease and brought back to the Commission. He said it was more like an implied direction which the Commission ratified.

* * *

I. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following item was unanimously adopted.

8. Award of Contract 1275
Relocation of Utilities, Lower Level Loop Road

No. 84-0253

Award of Contract 1275, Relocation of Utilities, Lower Level Loop Road to Dalton Construction Co. in the amount of $1,620,000.

Six bids were received on August 24, 1984. Bids ranged from $1,397,000 to $2,132,000.

The apparent low bidder, E. H. Morrill Co., has requested withdrawal of their bid because of an estimating error. Staff concurs and recommends award to Dalton Construction Co., the second low bidder.

Commissioner Goosby asked if the Human Rights Commission received the material. Mr. Jason Yuen, Administrator, Bureau of Planning and Construction, responded that they did.

* * *

. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

9. Professional Services Agreement
Dieter C. Rapp, Interior Planting Consultant
Modification No. 4 - $18,000.

No. 84-0254 — Resolution approving Modification No. 4 to the Professional Services Agreement between the City and Dieter C. Rapp, Interior Planting Consultant.

Modification No. 4 continues to the present agreement until September 30, 1985, at a cost not to exceed $18,000.

Commissioner Goosby said this has never been out to bid and he was told a year ago that it would not be extended again.

Mr. Dennis Bouey, Deputy Director for Facilities, Operations and Maintenance, responded that this contract only involves the South Terminal. He explained that this was similar to last year's contract in that as each area goes under construction in that terminal the contractor is phased out and in-house staff will take over. He said that staff currently handles the North and International Terminals.

10. Modification No. 1 to Agreement with Morris, Davis and Company

No. 84-0255 — Resolution to modify the Professional Services Agreement with Morris, Davis and Company, CPA's, for an additional $15,000.

11. Rejection of Bid and Readvertise for New Bids
Contract No. 1200B-18

No. 84-0256 — Rehabilitation of elevators, International Terminal.

12. Rental Credit for Qantas Airways

No. 84-0257 — Resolution approving rental credit for Qantas Airways Limited for Airport work performed by Qantas in the International Terminal building.

* * *

K. COMMUNICATIONS:

There was no discussion by the Commission.

* * *

L. PUBLIC HEARING:

The following item was removed from the calendar.

13. Adoption of Fiscal Year 1984/85 Rates and Charges

Resolution establishing terminal rental and landing fee rates for Fiscal Year 1984/85 only and authorizing a supplemental appropriation from unappropriated surplus to the operating fund in an amount which will offset Fiscal Year 1984/85 expenditures.

* * *

M. TRAILING CALENDAR:

There was no discussion of trailing calendar items.

* * *

O. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 2:55 p.m. to go into closed session.

Jean Caramatti
Commission Secretary

Duty Free Shoppers

September 4, 1984

RE: Chewing Gum Policy
Resolution approving the prohibition of the sale of chewing gum within the Terminal Building Complex.

President Bernstein, Ms. Kadish, Dr. Goosby, Messrs. Coblentz and Fleishell, Director Turpen.

I am Gary Hahn, General Manager of Duty Free Shoppers, San Francisco.

I would like to speak against the resolution approving the prohibition of the sale of chewing gum within the Terminal Building Complex.

We can understand the Commission's concern about used gum being dropped on the carpeting in the terminals, and if this would cease as a result of prohibiting sales in the terminal gift shops, we would not have a problem with this resolution. However, we are sure a significant portion of the gum in question is purchased outside of the Airport and is already in the passenger's possession when they arrive at San Francisco International. Obviously, we cannot prohibit the chewing of gum in the airport terminals, so the problem is insolvable.

Furthermore, many airline passengers chew gum when flying because it tends to lessen problems with their ears. Doctors often recommend to their patients to chew gum when flying as it keeps the ears open. Often, this is the only time gum is used. We believe this move would result in customer complaints since airline passengers have come to expect chewing gum to be available for sale in gift shops at airports. As a matter of fact Luins Williams, the MBE operator of the newstand in the new North Terminal Hub shop, fields numerous customer complaints everyday because we do not sell gum.

Naturally, we are also concerned about the loss of this revenue and concerned that in the future other items or lines of merchandise may arbitrarily be prohibited from sale. Sales of gum in our three (3) locations in the Central Terminal totaled more than $55,000 in our first full year of operation. At a 20% concession fee this represents $11,000 in revenues to the Airport, and this is only a small portion of gum sales at SFO. Central Terminal emplanements represent only 15% of the total airport emplanements.

DUTY FREE SHOPPERS N.V.
San Francisco Division
San Francisco International Airport
P.O. Box 8308 - SFIA ★ San Francisco, CA 94128
Telex: 278181

It is safe to say that annual total sales of chewing gum at SFO would exceed $350,000 annually. At concession rates of 20 to 25% the loss to the Airport in concession payments would be approximately $80,000 per year.

Therefore we, Duty Free Shoppers, respectfully ask that you defeat this resolution and permit all News/Gift operations including the new North Terminal Hub shop to sell chewing gum.

Thank you very much for your valuable time and for permitting us to present our view in this matter.

SAN FRANCISCO AIRPORTS COMMISSION

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MINUTES

SEPTEMBER 18, 1984

DIANNE FEINSTEIN, MAYOR

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MORRIS BERNSTEIN
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WILLIAM K. COBLENTZ
Vice-President
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL
ATHENA TSOUGARAKIS

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

Index
of the Minutes
Airports Commission

September 18, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		August 7, 1984	84-0258	3
D.		SPECIAL ITEM:		
	1.	Retirement Resolution For Ken Fritze	84-0259	3
	2.	Retirement Resolution for William J. Luttman	84-0260	4
E.		DIRECTOR'S REPORTS:		
	3.	Airport Police Review		4
	4.	Automobile Service Station-Requested Survey of Real Estate Brokers		5-6
F.		ITEMS INITIATED BY COMMISSIONERS:		
		Proposition 36/Jarvis 4	84-0261	6
		AB 304	84-0262	7
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	5.	Exchange of Roadway Easement and Grant of Utilities Easement for Belle Air Island	84-0263	7
	6.	Lease Modification, Northwest Airlines	84-0264	7
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	7.	Rejection of Bids and Authorization to Re-bid: Contract 1211, Central Terminal Modernization - Seventh Floor Renovation	84-0265	8

Calendar Section	Agenda Item	Title	Resolution Number	Page
	8.	Silt Removal - 1984 Contract No. 1608	84-0266	8
	9.	Resolution Approving Assignment of Contract and Requesting City Controller to Transfer Funds from Contract 1433 to Contract 1414AB	84-0267	8
I.		COMMUNICATIONS:		8
J.		PUBLIC HEARING:		
	10.	Adoption of Fiscal Year 1984/85 Rates and Charges		9
K.		TRAILING CALENDAR:		9
M.		ADJOURNMENT TO GO INTO CLOSED SESSION:		9

Minutes
of the
Airports Commission Meeting

September 18, 1984

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 2:00 P.M., in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Commissioners Morris Bernstein, Ruth S. Kadish, Z. L. Goosby, J. Edward Fleishell.
Absent:	William K. Coblentz

* * *

C. ADOPTION OF MINUTES:

No. 84-0258	The minutes of the regular meeting of August 7, 1984 were adopted by order of the Commission President.

* * *

D. SPECIAL ITEM:

The following items were unanimously adopted.

1. Retirement Resolution for Ken Fritze

84-0259	Ken Fritze has served the City and County of San Francisco for over thirty-eight years with the last fourteen on the Airport staff as Estimator and Scheduler.

2. Retirement Resolution for William J. Luttman

84-0260

William J. Luttman has served the City and County of San Francisco for twenty-seven years with the last fifteen on the Airport staff as Chief of Surveys.

Mr. Lou Turpen, Airport Director, said that both of these employees have been with the City for many years and served the City with distinction.

* * *

E. DIRECTOR'S REPORTS:

3. Airport Police Review

Report to introduce the new Acting Chief of Police and the Acting Deputy Chief to the Airports Commission.

Mr. Turpen introduced Ron Driscoll and Jim Gibbs, both recently appointed Acting Chief of Police and Acting Deputy Chief of Police respectively, of the Airport Police Department.

Chief Driscoll said it was his understanding that the Commission has already been briefed and understands the basic concepts of the new reorganization program being implemented in the Police Department. He explained that the basic goal is to improve the Department's image and try to promote a better understanding of the Airport Police Officer through an assertive community service program. He said he would be receptive and supportive of the Commission's ideas.

Commissioner Bernstein congratulated Chief Driscoll and Deputy Chief Gibbs and wished them well. He felt that the Police Department needed general attention toward the public and a more courteous manner.

Commissioner Fleishell said the Commission is gratified to finally be able to choose the leadership of the Department from among the rank and file. He felt that the major public image is traffic movement. The roadways are underdesigned, requiring more effort on the part of the Department to keep traffic moving. He is looking forward to seeing an improvement.

Commissioner Fleishell congratulated both men and told them that the Commission was 100 percent behind them.

Commissioner Goosby offered his congratulations and said he, too, was gratified at the chance to appoint from within the ranks of the Airport Police and that they both had the Commission's support.

Commissioner Kadish concurred with what had been said and asked that the Commission receive progress reports from them rather than going through the Director.

4. Automobile Service Station
Requested Survey of Real Estate Brokers

Report submitting the survey of real estate brokers contacted concerning the Airport's bid of the automobile service station lease.

Mr. Turpen said that the Commission agreed to have staff take a look at working on the service station with a professional real estate firm in an effort to develop bid specifications that are reflective of current market conditions and to generate interest in the bidding process. At the Commission's suggestion staff contacted those firms listed on the attachment in the agenda package. Based on the Commission's direction it is his recommendation to have staff negotiate a professional services contract with Ed Plant. He suggested that if this works out well the Airport might want to hire him on an as-needed basis for other specialized concessions.

Commissioner Kadish was gratified that it is such a positive response and that information was brought back to the Commission so quickly after having been brought up at the last meeting. She felt this could be a landmark support system for the Airport and hoped it will work out successfully.

Mr. Turpen said a small professional services contract would have to be developed and sent to Civil Service for approval. Staff would then return to the Commission with the jointly developed specifications. Then, if the Commission felt it necessary, staff would continue with phase two and the development of interest, or, immediately move ahead to the bidding.

Commissioner Goosby asked for a definition of Ed Plant's "substantial experience".

Ms. Angela Gittens, Deputy Director for Business and Finance, said that refers to service station contracts back in the 1960's.

Commissioner Fleishell said that the economics of service stations is based on gallonage per year. Once you know the gallonage the rent can be determined. Staff can contact any of the major oil companies for prices. He said that Chevron and the three other major companies are backing out because they are changing their marketing format.

Commissioner Fleishell felt staff was capable of handling this and a consultant was not necessary but he would not oppose it if this is what the Commission wanted.

Commissioner Bernstein responded that this station had unique features that he felt were beyond staff's capabilities. He said Ed Plant has done work at Standard, for Jim Bronkema at Embarcadero Center and the Galleria and he favored him. He complained that staff waited until the lease terminated before doing anything and that the Airport was getting $500,000 a year and may now only get $40,000 a year.

Commissioner Fleishell said he did not suggest accepting a $40,000-a-year rent, however, the Airport will receive nothing near what it once got for the service station. He said that the amount of rent is pretty much pre-determined no matter who is hired.

Commissioner Goosby felt that if hiring a consultant would give staff the confidence to go after a $400,000 rent he was all for it. He said that he respects Ed Plant's ability to get tenants for commercial space.

With regard to the pre-bid conference, Commissioner Goosby said that an off-Airport site might be considered for more complex mechanical repairs with minor mechanical repairs performed on-site. The off-Airport site might increase business and the ability to pay a rent closer to what the Airport has been receiving.

Mr. Turpen said that the intent in limiting the type of repairs was to avoid clogging the roadways with dismantled or broken down cars. If major repairs can be performed elsewhere that would be fine. He felt that a consultant was an interesting alternative to explore and well worth the investment to try and increase the rent.

Commissioner Fleishell said he contacted one of the larger stations in the City to get their input. He said that stations make their money on the other services and since the specs will only allow the operator to pump gas the Airport will not be able to get the rent it wants. Commissioner Fleishell said that the Airport does not need a consultant to tell us that.

Commissioner Bernstein said that there is an enormous profit in gasoline today as evidenced by a 30¢ per gallon discount if a customer is willing to pump his own gas. He did not feel that staff could effectively deal with the service stations and that a man like Ed Plant was needed to negotiate this contract.

Commissioner Bernstein asked Mr. Turpen to talk to Mr. Plant. He asked Mr. Turpen to mention to him that he had once said he would be willing to do something for the Airport on a pro bono basis.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Kadish presented a resolution opposing Proposition 36.

Commissioner Goosby said that an additional whereas clause be added to the resolution concuring with the Board of Supervisors' action opposing Proposition 36.

Commissioner Fleishell said he understood staff was conducting a study on the direct impact Proposition 36 would have on the operation of the Airport. He said that at least three analyses, one by the State Controller, one by the Legislative Analyst and one by U.C., had been prepared and suggested that Mr. Garibaldi read them. He asked why staff time was being used to study something that is clearly harmful to any revenue agency that exists on the use of fees or revenue bonds. The Board of Supervisors has already moved ahead on their resolution and now the Commission has this resolution before it.

Mr. Turpen said staff was studying the issue to determine specific implications on the Airport and what alternatives might be available.

This resolution was unanimously adopted as amended.

No. 84-0261

Commissioner Fleishell asked that a resolution be drafted urging the Governor to sign AB3804.

The resolution was unanimously adopted.

No. 84-0262

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following items were unanimously adopted.

5. Exchange of Roadway Easement and Grant of Utilities Easement for Belle Air Island

No. 84-0263 — Resolution authorizing the owners of Belle Air Island permission to use of utilities easement previously granted to SamTrans.

6. Lease Modification, Northwest Airlines

No. 84-0264 — Resolution approving the relocation of existing U.S.O. facilities and a modification to the Northwest Airlines Lease and Use Agreement to include space for the construction of a V.I.P. Lounge.

Commissioner Kadish asked if U.S.O. was in favor of this.

Mr. Turpen said that a letter is on file agreeing to the relocation.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

7. Rejection of Bids and Authorization to Re-Bid: Contract 1211, Central Terminal Modernization - Seventh Floor Renovation

No. 84-0265 — A review of the bids and the documents revealed a discrepancy which resulted in a wide variance of prices. Due to the confusion, staff recommends rebidding Contract 1211.

8. Silt Removal - 1984 Contract No. 1608

No. 84-0266 — Resolution awarding Contract 1608, Silt Removal - 1984, to Dan Dark Construction, Inc. in the amount of $35,400.00.

Two bids were received on August 30, 1984: $35,400.00 and $49,907.50.

9. Resolution Approving Assignment of Contract and Requesting City Controller to Transfer Funds from Contract 1433 to Contract 1414AB

No. 84-0267 — Work under Contract 1433 (South Terminal Aircraft Apron Paving Phase II) will be combined with Contract 1414AB (Boarding Area B Renovation) as provided by the Contract. Funds need to be combined accordingly. No change in total contract amount or budget.

Commissioner Goosby asked if the same contractor bid and received both of these contracts.

Mr. Jason Yuen, Administrator, Bureau of Planning and Construction, responded that they were awarded to two separate contractors and they are being combined into one contract. He explained that the paving contractor will be a subcontractor to the general contractor. He said this is simply a scheduling action.

* * *

I. COMMUNICATIONS:

There was no discussion by the Commission.

* * *

J. PUBLIC HEARING:

The following item was put over to the October 2 meeting.

10. Adoption of Fiscal Year 1984/85 Rates and Charges

Resolution establishing terminal rental and landing fee rates for Fiscal Year 1984/85 only and authorizing a supplemental appropriation from unappropriated surplus to the operating fund in an amount which will offset Fiscal Year 1984/85 expenditures.

Ms. Gittens said that the revised resolution deletes reference to any action on the Jarvis 4 amendment explaining that the airlines objected to that language appearing in the legislation.

Mr. Turpen said it could be a subsequent act on the part of the Commission.

Ms. Gittens said there will be other changes (mentioning cargo rates and pension costs as examples) that will have to go into effect if Jarvis 4 passes and it would not be just a matter of going back to last year's costs.

Commissioner Goosby asked if the Airport was locking itself in by removing that language.

Ms. Gitens responded that if Jarvis 4 passed changes would still have to be made and we could not simply revert back to 1983-84 rates.

Commissioner Fleishell asked for a copy of the Airport General Counsel's analysis of Jarvis 4, reflecting the impact on the Airport's ability to set its landing fees and other charges.

* * *

K. TRAILING CALENDAR:

There was no discussion of trailing calendar items.

* * *

M. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 2:43 P.M. to go into closed session.

Jean Caramatti
Commission Secretary

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MINUTES

OCTOBER 2, 1984

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MORRIS BERNSTEIN
President
WILLIAM K. COBLENTZ
Vice-President
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL
ATHENA TSOUGARAKIS

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

Index
of the Minutes
Airports Commission

October 2, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ANNOUNCEMENT BY SECRETARY:		4
D.		SPECIAL ITEM:		
	1.	Resolution - John A. Damon	84-0269	4
E.		DIRECTOR'S REPORTS:		
	2.	Service Station Consultant - Verbal Report		4
	3.	Potential Candy Cart Lease		5-6
	4.	FAR 36 Noise Compliance		6-7
F.		ITEMS INITIATED BY COMMISSIONERS:		7
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	5.	Resolution Awarding Lease for Cigarette Vending Operation in the International Terminal	84-0270	7
	6.	Resolution approving Amendment No. 12 to Gensler & Associates' Professional Services Agreement	84-0271	7-8
	7.	Contract No. 1426 Overlay of Taxiway L	84-0272	8
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	8.	Rental Credit to Duty Free Shoppers	84-0273	8

Calendar Section	Agenda Item	Title	Resolution Number	Page
	9.	Tenant Improvement: United Airlines Maintenance and Operations Center	84-0274	8
	10.	Request for Approval of Travel/Training for Airports Commission Representatives	84-0275	8
I.		COMMUNICATIONS:		9
J.		PUBLIC HEARING:		
	11.	Adoption of Fiscal Year 1984/85 Rates and Charges	84-0276	9
K.		TRAILING CALENDAR:		9
L.		CLOSED SESSION:		3&9
M.		ADJOURNMENT:		9

Minutes
of the
Airports Commission Meeting

October 2, 1984

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 2:00 P.M., in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Commissioners Morris Bernstein, Ruth S. Kadish, Z. L. Goosby, J. Edward Fleishell.
Absent:	Commissioner William K. Coblentz

* * *

L. CLOSED SESSION:

The meeting adjourned at 2:01 P.M. to go into closed session and reconvened at 2.35 P.M.

* * *

Mr. Lou Turpen, Director of Airports, introduced Mr. Frank Nakashima, Assistant to the District Manager of Japan Airlines. Mr. Nakashima is being promoted and transfered to Los Angeles after 18 years at San Francisco International Airport. Mr. Turpen said Mr. Nakashima has been an instrumental figure in the airline community in coordinating with the Airport and helping to develop the type of facility it is today.

Mr. Turpen wished Mr. Nakashima the best of luck and expressed his sorrow at his leaving.

Mr. Nakashima thanked Mr. Turpen and told the Commission that he had mixed emotions about the transfer. He said that he has enjoyed attending the Commission meetings and thanked Mr. Turpen and his staff for their help and the Commission for their support.

Commissioner Kadish asked Mr. Nakashima to let them know if there is anything they can do to get him back. He is the one member of the airline community who consistently attends the Commission meetings.

* * *

D. SPECIAL ITEM:

The following item was unanimously adopted.

1. Resolution - John A. Damon

No. 84-0269 — Resolution for John A. Damon who has served the San Francisco International Airport Police Department since 1983 with dedication and distinction.

* * *

C. ANNOUNCEMENT BY SECRETARY: — In accordance with the Brown Act, Section 54957.1, Jean Caramatti, Commission Secretary, announced unanimous adoption of Resolution No. 84-0268 regarding the settlement of litigated claim of Piombo Corporation in the amount of $350,000 at the closed session of September 18, 1984.

* * *

E. DIRECTOR'S REPORTS:

2. Service Station Consultant - Verbal Report

Mr. Turpen said that he talked to Ed Plant, as the Commission instructed, regarding a cooperative venture with respect to the service station. Mr. Plant reinforced his company's willingness to work with the Airport in developing bid specifications as well as attempting to encourage bidding participation. Mr. Plant promised to get back to him by Wednesday or Thursday of this week. There will be a presentation at the next meeting as to how the relationship would work, how Mr. Plant's expertise would be incorporated into the Airport's process and the cost.

2. Potential Candy Cart Lease

Mr. Turpen said that the Commission had asked staff to take a look at a location for a cart type operation with candy as the potential sale item.

Mr. Turpen said that there are several locations at the Airport where a cart could be placed and they are outlined in the report. With respect to candy, there are some constraints in the International and South Terminals because of the exclusivity of the Hicks lease. Although exclusivity is not a problem in the North Terminal every concession in the potential locations sells candy.

Mr. Turpen said that Commission direction is required for a trial basis activity. If the Commission wants to develop this on a permanent basis then the concession will be bid and specs will have to be developed.

Commissioner Fleishell asked why the Commission had to deal with this as he felt it was a staff function.

Mr. Turpen commented that there was a flower cart in the North Terminal at the entrance to the connector that was seldom open for business. It was decided that since the current cart operation was not effective another type of merchandise might be considered for that location. Candy was one of the items suggested and it was looked at vis-a-vis leases and other competitive aspects.

Commissioner Bernstein commented that the Commission had suggested chocolate truffles. He said he did not intend this to be a cart operation nor that it be located next to Atari's Game Room. He suggested that staff visit I. Magnin's or Macy's candy concession area.

Mr. Turpen responded that with respect to the South and International Terminals there is a current exclusive which has existed for some time which would preclude the sale of candy. The leases in the North Terminal are non-exclusive. He said that his instructions to staff were to identify every possible location in the terminals and identify the competing activities in the vicinity of each specific location. He explained that it was his intention to offer a range of alternatives available in the North Terminal.

Commissioner Kadish felt there is inadequate awareness as to the potential productivity, both from a revenue point of view and a passenger service point of view, the proper kind of installation could have. She suggested that perhaps the type of installation should be defined. Commissioner Kadish said that the concession could carry candy items not found in other areas of the Airport.

Commissioner Goosby suggested that staff first determine the best way to increase revenue and then the type of merchandise. He said he would be in favor of determining the legality of a set-aside for a cart.

Mr. Turpen said that the space by the connector in the North Terminal offers good exposure but the cart that was in that location was not marketed well nor did the merchandise sold appeal to passengers.

Commissioner Goosby did not want to sell merchandise that would draw business from other concessionaires.

Commissioner Bernstein did not intend to take business away from the other concessionaires by installing a truffles cart. He thought it would be an excellent opportunity for a minority.

Commissioner Kadish suggested using Mr. Plant's services and asked for a report to the Commission.

Mr. Turpen responded that he didn't want to get into the second phase without completing the first. He said that the Commission has approved the location on three separate occasions. He asked for time to generate ideas and return to the Commission for discussion. He would like to investigate Commissioner Goosby's suggestion for a minority set-aside and then decide which way to go.

Commissioner Goosby reminded Mr. Turpen of Commissioner Bernstein's suggestion.

Mr. Turpen said this item would come back to the Commission at the first meeting in November along with a report on the new MBE legislation.

4. FAR 36 Noise Compliance

Report to Commission on their 1978 Resolution which requires all aircraft to be noise certificated in order to operate at San Francisco International Airport after January 1, 1985.

Mr. Turpen stated that this is a reminder to the Commission that January, 1985 is the deadline for all aircraft operating at SFO to be certificated under FAR 36. All airlines will be reminded of this deadline.

Commissioner Fleishell asked if there should not be a policy stating that any application for exemption of these rules by the airlines will be viewed with disfavor.

Mr. Turpen quoted the 1978 resolution: "no variance would be considered which requests relief from provisions from FAR 36 or FAR 91, as they apply unless the variance has been previously granted to the airline operator by the appropriate Federal agency. Under no circumstances will the Airports Commission extend the time of compliance beyond January 1, 1985."

Commissioner Fleishell said that the Governor has vetoed the Robinson bill. He has arranged with the City Attorney to prepare a letter to Mr. Suskind, the Assistant Attorney General in charge of Anti-Trust, asking that he intervene in the Hallie case dealing with the anti-trust problem. He asked that Mr. Garibaldi send copies of the letter to every airport in the state requesting that each City Attorney write a similar letter to the Attorney General.

Commissioner Fleishell said that in the Governor's veto message of the bill he indicated that the Airport has the authority to control the number of aircraft that land at SFO but he has been told that we do not have that authority. It also said that we can control the times of departure and he has been told that we do not; and that we can control the departure route with the cooperation of the FAA and he has been told that we cannot. He said that the advice that we

have been given is contrary to advice given to Orange County. They do control the number of aircraft, the hours of departure and the types of aircraft. He asked for a written response as to whether or not SFO has these controls.

Commissioner Fleishell said Orange County has an anti-trust exemption granted by the Department of Transportation.

Mr. Turpen said he would attempt to get the information to this Commission by the next meeting.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Goosby complimented Julie Yim and the Human Rights Commission in trying to keep the Commission informed of concessionaires meeting affirmative action guidelines. He said the information was helpful to the Commission and to keep it coming.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following item was unanimously adopted.

5. Resolution Awarding Lease for Cigarette Vending Operation in the International Terminal.

No. 84-0270	Resolution awarding lease for cigarette vending operation in the International Terminal Building to J.V. Vending, a sole proprietorship.

The following item was adopted by a 3-1 vote with Commissioner Goosby casting the dissenting vote.

6. Resolution Approving Amendment No. 12 to Gensler & Associates' Professional Services Agreement

No. 84-0271	$26,600 has been budgeted as design fee for Contract 1211, Remodeling FAA Facilities, 7th Floor, International Terminal. However, due to a staff oversight, this sum was not included in Gensler's Professional Services Contract. Amendment No. 12 corrects this oversight. It also increases the scope of work to include the design of an exterior wind screen ($15,000) for the International Terminal and extension of time to March 31, 1985.

Commissioner Goosby asked why the job was going to Gensler.

Mr. Yuen responded that since the windshield will cover a major portion of the front of the building Gensler should design it.

7. Contract No. 1426
Overlay of Taxiway L

No. 84-0272 — Resolution awarding Contract No. 1426, Overlay of Taxiway L to Ghilotti Bros., Inc., in the amount of $1,163,365.

Three bids were received on August 30, 1984 ranging from $1,163,365 to $1,187,610.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

8. Rental Credit to Duty Free Shoppers

No. 84-0273 — Resolution approving rental credit to Duty Free Shoppers, in an amount not to exceed Six Thousand Dollars ($6,000.00), for replacement of an exterior sign.

Commissioner Fleishell thought that Mr. Turpen should take another look at the Design Review Committee.

9. Tenant Improvement: United Airlines Maintenance and Operations Center.

No. 84-0274 — Repave roadways north end of buildings 15/15W. T-2899, $80,000.

10. Request for Approval of Travel/Training for Airports Commission Representatives

No. 84-0275

* * *

I. COMMUNICATIONS:

There was no discussion by the Commission.

* * *

J. PUBLIC HEARING:

The following item was unanimously adopted.

No. 84-0276 — Resolution establishing terminal rental and landing fee rates for Fiscal Year 1984/85 only and authorizing a supplemental appropriation from unappropriated surplus to the operating fund in an amount which will offset Fiscal Year 1984/85 expenditures.

Commissioner Fleishell said he was contacted by representatives of SFO Helicoptor and West Air asking that it be noted in the public hearing that they oppose the charges for their respective aircraft on the basis of landings rather than weight. They base their objections on the contention that charging in that manner discriminates against them and is in violation of the ADAP rules of funding.

* * *

K. TRAILING CALENDAR:

There was no discussion of trailing calendar items.

* * *

M. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 3:05 P.M. to go into closed session.

Sandra Crumpler
Acting Commission Secretary

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MINUTES

OCTOBER 16, 1984

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President
WILLIAM K. COBLENTZ
Vice-President
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL
ATHENA TSOUGARAKIS

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

Index
of the Minutes
Airports Commission

October 16, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		DIRECTOR'S REPORTS:		
	1.	Consultant for Service Station - Verbal Report		3
	2.	Bay Area Teleguide - Status Update - Verbal Report		3-4
	3.	Service Center - Verbal Report		4
D.		ITEMS INITIATED BY COMMISSIONERS:		4-5
E.		POLICY:		
	4.	Amended Vending Machine Policy	84-0277	5
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	5.	Modification No. 1 and Completion of Airport Contract No. 1525, Replacement of 12 Inch and 24 Inch Water Main at Butler Ramp Area and at R-21 Roadway	84-0278	5-6
	6.	Rejection of Bids and Authorization to Re-Bid Contract No. 1474, Demolition of Old Shuttle Bus Maintenance Building and Site Improvements	84-0279	6
	7.	Bid Call - Airport Contract No. 1613, Alcove Remodel, First Floor, International Terminal	84-0280	6

Calendar Section	Agenda Item	Title	Resolution Number	Page
	8.	$495,585 Supplemental Appropriation to Increase the Airport's Fiscal Year 1983/84 Annual Service Payment	84-0281	6
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	9.	Resolution Commending Frank Nakashima of Japan Air Lines	84-0282	7
	10.	Award of Contract 1211, FAA Facilities, Seventh Floor, International Terminal - $390,735	84-0283	7
	11.	Declaration of Emergency-Water Line	84-0284	7
	12.	Statistical Adjustments for 1984-85 Joint Use Billings under New Lease and Use Agreement	84-0285	7
	13.	Supplemental Appropriation, Airports Judgments and Claims Fund	84-0286	7
H.		COMMUNICATIONS:		
		Appointment of Howard Friedman as Alternate Member for Airports Commission on Airport/Art Joint Committee	84-0287	8
		Retirement of Betty Jones, Senior Payroll Clerk	84-0288	8
I.		TRAILING CALENDAR:		8
J.		CLOSED SESSION:		8
K.		ADJOURNMENT:		8

Minutes
of the
Airports Commission Meeting

October 16, 1984

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 2:02 P.M., in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Commissioners Morris Bernstein, Z. L. Goosby, J. Edward Fleishell
Absent:	Commissioners William K. Coblentz, Ruth S. Kadish

* * *

C. DIRECTOR'S REPORTS:

1. Consultant for Service Station - verbal report

Mr. Lou Turpen, Airport Director, said that he is meeting next week with Ed Plant to discuss this matter with him. Staff is working with Reed Redwine of Mr. Plant's firm to develop the proposal under which Mr. Plant's services would be utilized. By the November 6 meeting he should have costs and an outline of what will be accomplished for the Commission's review.

2. Bay Area Teleguide

Report reviewing Bay Area Teleguide's Airport operations and passengers' acceptance of same.

Mr. Turpen said that Chronicle Videotex has been very responsive to any malfunctions in the system. Forty machines were promised for the Airport, 18 are presently operating and the Airport will shortly go to 25. The machines are averaging about 2500 hits (or key punches) daily on each terminal which is in excess of the 1400 typically experienced. He explained that this figure is not meaningful until it is determined exactly what is being punched up (ie. Airport information or baseball scores). Teleguide has promised a printout of what information was accessed through the computer by the end of this week.

Mr. Turpen said that the Commission has given the system a 6-month trial and in January staff will present a report with a recommendation to either continue or abandon it. As soon as staff receives the information on what is being accessed it will be sent to the Commission.

3. Service Center

Mr. Turpen said that staff is looking into a service center, which would include Xerox machines, secretarial support, etc. Dennis Bennett of Mercury International has the right to provide this service as part of the Mercury Insurance lease. He has asked to be given 60 days to look into it and return to staff with a proposal. The Commission will have staffs' report within 60-90 days. He said the Airport is not obligated to go with Mr. Bennett but since he does have an option to provide such a service he felt it only fair to allow him the opportunity to make a proposal.

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Goosby asked how the Student Intern Program was progressing and if the ground rules have been worked out with the unions involved.

Mr. Turpen responded that staff does not anticipate putting this program in until next year because of the very strong resistance. Staff is taking another look at restructuring the program in terms of a management orientation program. This has been well received by the participating institutions. He explained that the original program would have placed about 20 students into specific Airport classifications. Because of labor union concerns that this might impact hiring or job security the program was abandoned and a new program aimed at the management level is being considered. He explained that the San Mateo Labor Coalition, the coalition representing all of the unions at the Airport, had been contacted and their concurrence to move ahead with the original program was received. As the program neared implementation, individual unions started complaining that they had not been advised. Mr. Turpen said he asked each of the unions involved to reconsider however none of them responded to that request. When the request was made again staff was advised by the unions that they would oppose anything of this nature. Since it was felt that the program was worthwhile a new avenue was approached. Mr. Turpen said he called Mr. Martin and was told that he did not want to meet or discuss the issue.

Mr. Turpen said that it was his understanding that some of the unions desired to reopen some of their agreements and include this as part of a negotiating package. He said he would not want to reopen the agreements in order to include a very limited, narrowly focused program. He hopes to get support for the new program.

Commissioner Bernstein said he has been receiving more and more complaints about the lack of skycaps. He asked Mr. Turpen to take this up with the airlines.

Mr. Turpen said there is language in the new Rules and Regulations requiring the airlines to have skycap service available two hours prior to departure and upon arrival. He said he would take a look at the specific wording to see what the Airport could do about it but believed it said: "...sufficient persons to handle the anticipated volume."

Commissioner Fleishell said that he heard a rumor that the Commission will be asked to color code the carpet in the Customs area.

Mr. Turpen said that about a week ago he met with Mr. Figlioli, the Chief Inspector. He said that presently there are colored tubes that hang from the ceiling but are not very visible because of the height of the ceiling. Mr. Turpen said that a pattern has been decided on and referred to the Design Review Committee. He hoped to have it before the Commission at the next meeting. He explained that pieces of the existing carpet would be cut out and replaced by strips of carpeting that will be color coded to match folders distributed to each arriving international passenger. The passenger then follows that color carpet.

* * *

E. POLICY:

The following item was unanimously adopted.

4. Amended Vending Machine Policy

No. 84-0277 — Resolution amending Airport's "Vending Machine Policy".

Mr. Turpen explained that this was a wording change to our existing policy made at the direction of the City Attorney.

Commissioner Fleishell suggested that someone read it for grammatical errors.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following items were unanimously adopted.

5. Modification No. 1 and Completion of Airport Contract No. 1525, Replacement of 12 Inch and 24 Inch Water Main at Butler Ramp Area and at R-21 Roadway.

No. 84-0278 — Resolution accepting the work under Airport Contract No. 1525, Replacement

of 12 inch and 24 inch Water Main at Butler Ramp Area and at R-21 Roadway as satisfactorily completed; extending the completion date from July 3, 1984 to July 31, 1984; approving and requesting the Controller's certification of Modification No. 1; and approving final payment of $36,050.73 in favor of the contractor, Ranger Pipelines, Inc.

6. Rejection of Bids and Authorization to Re-Bid Contract No. 1474, Demolition of Old Shuttle Bus Maintenance Building and Site Improvements.

No. 84-0279

Resolution rejecting all bids for Contract No. 1474, and authorizing the Director of Airports to re-advertise and call for bids when ready.

The low bid is substantially above the construction budget.

Commissioner Bernstein asked Mr. Turpen to once again look into charging for the shuttle bus service.

Commissioner Goosby said New York does not charge for this service.

Mr. Turpen said that the last study showed that other airports did not charge for the service. He said he would instruct staff to do another survey to see if trends have changed.

7. Bid Call - Airport Contract No. 1613
Alcove Remodel, First Floor, International Terminal

No. 84-0280

Resolution approving the scope, budget and schedule for Airport Contract No. 1613, and authorizing the Director of Airports to call for bids when ready. The work consists of developing space for lockers and newspaper racks in an existing alcove next to the Medical Clinic.

Contract time is 45 calendar days.

8. $495,585 Supplemental Appropriation to Increase the Airport's Fiscal Year 1983/84 Annual Service Payment

No. 84-0281

Airport's 1983/84 concession revenues were $43,303,903. Under the Lease and Use Agreement 15% of these revenues ($6,495,585) must be paid to the City. Since the Airport only budgeted $6-million for the annual service payment, a $495,585.00 supplemental appropriation is required.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

9. Resolution Commending Frank Nakashima of Japan Airlines

No. 84-0282 — Resolution commending Frank Nakashima for a job well done and warmest wishes for continued success in his transfer to Los Angeles International Airport.

10. Award of Contract 1211, FAA Facilities Seventh Floor, International Terminal - $390,735

No. 84-0283 — Five bids were received on October 5, 1984. The lowest bid (total bid of $381,800) is rejected since it did not include a price for Alternate No. 4, Temporary Protection for Roofing Work.

11. Declaration of Emergency - Water Line

No. 84-0284 — Proposed resolution declaring the existence of an emergency in the failure of a water line at the Hilton Inn parking lot; directing the Director of Airports to effect the necessary repairs and requesting the Controller to certify funds needed to effect such repairs.

Water Line - $20,000.00.

12. Statistical Adjustments for 1984-85 Joint Use Billings under New Lease and Use Agreement

No. 84-0285 — Resolution adjusting 1984-85 Joint Use Billings pursuant to Section 101.W of the new Airline Airport Lease and Use Agreement for Minerve S.A.

13. Supplemental Appropriation, Airports Judgments and Claims Fund

No. 84-0286 — This calendar item concerns a supplemental appropriation request by the office of the Airports General Counsel for an additional $200,000.00 to be appropriated for the Airports judgments and claims fund.

* * *

J. CLOSED SESSION:

The meeting adjourned at 2:15 P.M. to go into closed session and reconvened at 2:45 P.M.

* * *

H. COMMUNICATIONS:

The following items were unanimously adopted.

Commissioner Bernstein introduced a resolution appointing Howard Friedman as an alternate member for the Airport to the Airport/Art Joint Committee.

No. 84-0287

Commissioner Goosby introduced a resolution honoring the retirement of Betty Jones, Senior Payroll Clerk.

No. 84-0288

* * *

I. TRAILING CALENDAR:

There was no discussion of trailing calendar items.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 2:45 P.M. to go into Closed Session.

Sandra Crumpler
Acting Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION

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MINUTES

NOVEMBER 6, 1984

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President
WILLIAM K. COBLENTZ
Vice-President
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL
ATHENA TSOUGARAKIS

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

Index
of the Minutes
Airports Commission

November 6, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		August 21, 1984	84-0289	
		October 2, 1984	84-0290	
		October 16, 1984	84-0291	3
D.		DIRECTOR'S REPORTS:		
	1.	Police Department Reorganization		5
	2.	Consultant for Service Station		5
	3.	North Terminal Mobile Cart Lease		5
	4.	Re-examining Charging Fare for Shuttle Busses		5-6,9
	5.	Skycap Service		6
E.		ITEMS INITIATED BY COMMISSIONERS:		9-10
F.		POLICY REVIEW:		
	6.	Policies Adopted by the Commission from July through December, 1981 and October 2, 1984.	84-0292	8
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	7.	Grant of Easement with South San Francisco	84-0293	6
	8.	Authorization to Bid - Limousine Lease		3-5

Calendar Section	Agenda Item	Title	Resolution Number	Page
	9.	Bid Call - Airport Contract No. 1607, Demolition of Buildings and Docks, North Field	84-0294	6
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	10.	Resolution Approving Tutor-Saliba Corp.'s Request to Substitute Glazing Sub-Contractor on Contract No. 1410EF. No Additional Cost	84-0295	7
	11.	One-Year Time Extension - Airport Parking Management Contract	84-0296	7,10
	12.	Contract to Install Location Reminders in the Garage	84-0297	7
	13.	Bid Call - Airport Contract No. 1585 - Emergency Security Fencing Repair	84-0298	7-8
	14.	Bid Call - Airport Contract No. 1573 - Concrete Divider, Boarding Area 'D' Tunnel	84-0299	8
	15.	Rental Credit for Lufthansa German Airlines	84-0300	8
I.		COMMUNICATIONS:		8
J.		TRAILING CALENDAR:		10
K.		CLOSED SESSION:		10
L.		ADJOURNMENT:		11

Minutes
of the
Airports Commission Meeting

November 6, 1984

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 2:00 P.M., in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Commissioners William K. Coblentz, Ruth S. Kadish, Z. L. Goosby, J. Edward Fleishell.
Absent:	Commissioner Morris Bernstein

* * *

C. ADOPTION OF MINUTES:

The minutes of the following regular Airports Commission meetings were adopted by order of the Commission Vice President:

No. 84-0289	August 21, 1984
No. 84-0290	October 2, 1984, and
No. 84-0291	October 16, 1984

* * *

The following item was called out of order and put over.

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

8. Authorization to Bid - Limousine Lease

Resolution authorizing staff to hold a pre-bid conference based on proposed limousine lease specifications with revised affirmative action participation and bid the lease thereafter.

Mr. Lou Turpen, Airport Director, called on Ms. Angela Gittens, Deputy Director for Business and Finance, to review the limousine bid. He explained that the bid was postponed because of the City's new MBE ordinance.

Ms. Gittens commented that the issue of minority participation for joint venture ownership is still not clarified. As of this time a joint venture, which is 51 percent minority, would not qualify for the 5 percent preference according to a preliminary City Attorney opinion. She said that the Human Rights Commission is reviewing it and they feel that by the time this is to go to bid they will have clarified the City Attorney's opinion.

Commission Coblentz said he had some serious reservations with regard to the 51 percent.

Commissioner Coblentz asked Mr. Frank Todaro of Airport Limousine Service if he wished to address the Commission.

Mr. Todaro felt that there were problems with the basic structure and layout of the bid. He thought there was going to be an opportunity to meet with staff prior to this time. He said it would not be feasible from an operational or financial standpoint and had some particular concerns about the financial structure of the bid and some of the assumptions that were made in terms of developing the minimum bid amount. He also had concerns about the normal profit margins in existence in the business and whether those margins can be maintained under the structure of the bid.

Mr. Todaro presented a memo to the Commission (see attached.)

Mr. Todaro explained that the minimum bid is based on the amount of fees currently being paid to the Airport by the three tenants: Airport Limousine Service of Sunnyvale, Associated Limousine, and Goden State Limousine. He disagreed with the assumption that the revenue stream that those three companies are enjoying will remain with the company that wins the bid. He felt that it was a justification of the minimum rather than a reality and said that if his company does not win the bid they will take some of their customers with them when they go. He assumed that the same would be true of Associated Limousine. He concluded that the amount of revenue currently generated would be diminished by a minimum of 20 percent and as a result the cost of operating the concession (minimum bid, structure in the parking lot for drivers and dispatcher, desk manning requirements) will be higher.

Mr. Todaro explained that today a limousine company operating on a shared-ride basis can earn a pre-tax margin of three to five percent. He said that setting up a structure in the parking lot would run about $90,000 over a 36-month period, including the leasing of a mobile home, maintenance, telephone lines, the $100,000 minimum bid and the payroll. The profit margin would diminish to about 2 percent maximum and that is assuming that no more than 20 percent of the revenue volume disappears from the concession.

Mr. Todaro further explained that the shared-ride business generates about 80¢ a mile whereas the charter business generates about $1.75 a mile. As a result of the low revenue per mile there are very few companies who will deal in a shared-ride business.

Commissioner Coblentz said that Commissioner Fleishell raised the point that these concerns should be raised in the pre-bid conference. He said that the Commission is not in the position at this time to adopt a resolution.

Commissioner Fleishell said the function of the Commission is to deal with these matters after staff has put together a possible bid based on industry experience. He called for the item's removal from the calendar subject to being re-calendared after staff meets with the industry.

Commissioner Goosby agreed with Commissioner Fleishell but explained that in the past staff has brought an item before the Commission prior to a pre-bid conference in order to obtain the Commission's suggestions or objections. He felt that this was an important part of the process.

Commissioner Kadish agreed with Commissioner Goosby and suggested that in such instances staff not include a resolution for adoption.

Commissioner Coblentz asked Robert Oziel of Associated Limousine and Eloise Brown of Golden State Limousine if they still wished to address the Commission.

Mr. Oziel asked who drafted the resolution.

Commissioner Coblentz responded that staff drafted the resolution.

Mr. Turpen explained that there would be a pre-bid conference to solicit input on the proposed specifications. This item came before the Commission as a result of the impact of ordinances adopted by the Board of Supervisors on this potential lease.

Mr. Turpen suggested that any information intended to be presented to the Commission today be presented to the Commission Secretary for inclusion into the file and distribution to the Commission.

D. DIRECTOR'S REPORTS:

The following items were put over without discussion.

1. Police Department Reorganization - Oral Report

2. Consultant for Service Station - Oral Report

   Mr. Turpen said Airport staff is presently meeting with Ed Plant's staff and he hopes to have a report for the Commission at the next meeting.

3. North Terminal Mobile Cart Lease

   Mr. Turpen said that Commissioner Bernstein asked that this item be put over so that he could be present for the discussion.

The following Director's Reports were heard by the Commission:

4. Re-examining Charging Fare for Shuttle Busses.

Mr. Turpen said that Commissioner Bernstein had told him that he was satisfied with the report and indicated that he would follow the lead of the Commission in this matter. Mr. Turpen recommended continuing with the existing system.

The Commission had no objections.

5. Skycap Service

Pursuant to Commissioner Bernstein's request, a survey was conducted on the skycap service provided by the airlines.

Mr. Turpen said formal and informal surveys were made of skycaps and it was found that one company was not meeting the Airport's rules and regulations with respect to skycap service. Mr. Turpen said that the Commission has been given a letter from that company committing to do so. No-notice follow ups will be performed to insure that the Airport's rules with respect to skycap service are being followed. He said that he discussed this with Commissioner Bernstein and he is satisfied.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following items were unanimously adopted.

7. Grant of Easement with South San Francisco

No. 84-0293

Resolution approving the negotiated Grant of Easement with South San Francisco, and authorizing the Director of Airports to secure approval of the Board of Supervisors and execute the Grant of Easement as required.

9. Bid Call - Airport Contract No. 1607
Demolition of Buildings and Docks, North Field

No. 84-0294

Resolution approving the scope, budget and schedule for Airport Contract No. 1607 and authorizing the Director of Airports to call for bids when ready. The work consists of demolishing the old structures and docks around the Flying Tigers hangar.

Contract time is 90 calendar days.

* * *

H. CONSENT CALENDAR OF ROUNTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

10. Resolution Approving Tutor-Saliba Corporation's Request to Substitute Glazing Subcontractor on Contract No. 1410EF. No additional cost.

No. 84-0295 — Tutor-Saliba Corporation has requested to substitute Foreman, Ford & Company for Olson Glass Company on Airport contract 1410EF (South Terminal Renovation, Phase II) providing the same materials and services at no additional cost to the Airport.

The following item was put over to the end of the meeting.

11. One-Year Time Extension, Airport Parking Management Contract

Resolution approving a one-year extension of the management contract with APM to operate the Airport's parking facilities from December 1, 1984 to November 30, 1985. This is the fourth and last of four (4) one-year time extension options under Section 9 of the original contract.

Commissioner Kadish requested that the Commission receive the plans for the bid in 6 months.

Mr. Turpen said the Commission will have it in January.

Commissioner Coblentz asked if this was an option for the Commission or did they have to renew.

Mr. Don Garibaldi, Airport's General Counsel, responded that it was an option.

Commissioner Coblentz asked that the item be put over to closed session.

The following items were unanimously adopted.

12. Contract to Install Location Reminders in the Garage

No. 84-0297 — Resolution authorizing Airport staff to prepare a contract for installation of "location reminder" equipment in all elevator cores of the garage structure.

13. Bid Call - Airport Contract No. 1585
Emergency Security Fencing Repair

No. 84-0298 — Resolution approving the scope, budget

and schedule for Contract No. 1585 and authorizing the Director of Airports to call for bids when ready. The purpose of the contract is to provide for security fence repair on an as-needed basis.

The contract is for one year.

14. Bid Call - Airport Contract No. 1573
Concrete Divider, Boarding Area 'D' Tunnel

No. 84-0299

Resolution approving the scope, budget and schedule for Contract No. 1573 and authorizing the Director of Airports to call for bids when ready. The work consists of constructing concrete median barriers on the service road under Boarding Area 'D'.

Contract time is 30 calendar days.

15. Rental Credit for Lufthansa German Airlines

No. 84-0300

Resolution approving rental credit for Lufthansa German Airlines for Airport work performed by Lufthansa in the International Terminal. - $1,400.00.

* * *

I. COMMUNICATIONS:

There was no discussion by the Commission.

* * *

F. POLICY REVIEW:

The following item was adopted by the Commission as amended.

6. Policies Adopted by the Commission from July through December, 1981 and October 2, 1984.

No. 84-0292

Commissioner Kadish asked that the policy on plant maintenance specify that it refers to green, living plants.

* * *

D. DIRECTOR'S REPORTS:

Commissioner Goosby referred back to the following item.

4. Re-examining Charging Fare for Shuttle Busses

Commissioner Goosby assumed that this was merely an informational report and that the recommendation was that no action be taken at this time and that there be no charge.

Mr. Turpen responded that to his recollection Dallas/Fort Worth is the only airport that charges. Studies have been made each year for the past three or four years and each year staff has recommended that the revenues which support the shuttle bus operation be collected from the parking arrangement and not on an individual basis on the bus.

Commissioner Coblentz asked how our employee parking rates compare with other airports. He said we might consider raising the rates.

Mr. Turpen said that this report has demonstrated a significant employee ridership and staff is taking a look at adjusting that rate as well as establishing a Commission policy whereby the rate would be automatically adjusted with some type of measure.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Fleishell asked what the Airport could do to encourage faster airline delivery of luggage.

Mr. Turpen responded that he would take a look at it and report back at the first meeting in December.

Commissioner Fleishell said other airports have recently had the FAA take steps to alleviate congestion and SFO should do something about its congestion before the FAA steps in.

Mr. Turpen responded that according to FAA statistics almost 75 percent of all delays, characterized by 15 minutes or more, occurred at the six airports to which Commissioner Fleishell referred. Mr. Turpen said that the tower statistics showed SFO having a total of 27 delays for the month of July during which time a maintenance program was in progress, compared with 15 a year ago. He said delays have not been a problem.

Commissioner Fleishell disagreed and told Mr. Turpen to check with Mexicana or any other airline that has a 9:00 a.m. flight.

Commissioner Kadish said she was told that a delay could be dependant on your destination, explaining that if you are flying to the East Coast, the Washington and New York airports are so crowded your departure will depend on the landing time based on the prevailing winds.

Commissioner Fleishell said planes are now held at the gate rather than the runway but FAA statistics show SFO just two airports below the cut and he did not feel staff should wait to take remedial action.

Commissioner Kadish noted that there is no one in the baggage claim areas checking baggage claim check stubs.

Commissioner Goosby said that skycaps used to check baggage claim checks but have not done so for years.

Commissioner Fleishell responded that that was part of the airline cutback.

Commissioner Kadish said it was up to the Airport to require this be done but suggested that there be a study to determine if there was a need for this type of security.

Mr. Turpen said he would take a look at it.

* * *

J. TRAILING CALENDAR:

There was no discussion of trailing calendar items.

* * *

K. CLOSED SESSION:

The meeting adjourned at 2:20 P.M. to go into closed session and reconvened at 3:20 P.M.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following item was unanimously adopted.

11. One-Year Time Extension, Airport Parking Management Contract

No. 84-0296	Resolution approving a one-year extension of the management contract with APM to operate the Airport's parking facilities from December 1, 1984 to November 30, 1985. This is the fourth and last of four (4) one-year time extension options under Section 9 of the original contract.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 3:25 P.M.

Jean Caramatti
Commission Secretary

MEMORANDUM

November 2, 1984

TO: MEMBERS, AIRPORTS COMMISSION
Hon. Morris Bernstein, President
Hon. William K. Coblentz, Vice President
Hon. Ruth S. Kadish
Hon. Z.L. Goosby
Hon. J. Edward Fleishell

FROM: Frank J. Todaro, President
Airport Limousine Service of Sunnyvale,Inc.

SUBJECT: Limousine Lease Bid

As professtional in the limousine business and a current lessee of the San Francisco International Airport limousine booth concession, I respectfully submit the following comments as to why I feel that the proposed bid for the SFIA limousine lease is poorly structured and will not result in improvements in quality of service to the public, nor promote operating efficiency for the company that wins the award. My concerns lie in three areas: (1) lack of economic feasibility, (2) operational difficulties, and (3) unrealistic affirmative action goals.

I. Lack of Economic Feasibility:

The limousine industry nationwide and within the San Francisco Bay Area consists of a large number of small scale operators (4 vehicles or less), 99% of which offer private or "charter" limousine services as opposed to "shared-ride" services. In fact, shared-ride transportation services to and from all major United States airports excepting those located in San Francisco and Chicago, are performed in vans rather than limousines. Limousines are used for charter services only, and this includes the cities of New York and Los Angeles, the two largest limousine markets in the country. The reason for this mode of operation is the fact that shared-ride revenues per mile are extremely low compared to charter revenues per mile (approximately 80¢ v. $ 1.75), and the cost of operating a limousine is extremely high (capital costs range from $ 36,000 to $ 50,000 v. $ 18,000 for a van)

In the San Francisco Bay Area only two limousine companies offer shared-ride services to and from the San Francisco airport, Airport Limousine Service and Golden State Limousine, and neither of these companies serve the city of San Francisco, an area required to be served on a shared-ride basis in the bid. The reason that shared-ride work is not performed in the city of San Francisco, even by Associated Limousines, a company licensed to do so, is the fact that the average trip distance is too short to generate adequate revenues to cover fixed operating costs. Services from SFIA to outlying counties (Contra Costa, Santa Clara) are performed on a shared-ride basis because the trip distance is long enough to provide a minimal profit. Example:

Shared ride price:SFIA to San Francisco:	$ 7 per person
Shared ride price:SFIA to San Jose:	36 per person

The $29 difference in price contributes more money to cover fixed costs of

TO: MEMBERS, AIRPORTS COMMISSION

[illegible]

Airprot Limousine Service of Sunnyvale, Inc.

SUBJECT: Limousine Lease Bid

operation (reservations, dispatching, accounting, etc.).

The profit margins before tax for the two companies operating shared-ride limousine services to and from the San Francisco airport average from 3% to 5% under the cost structure of the current limousine booth concession. Very slim profit margins at best! With the proposed bid, those profit margins will fall to approximately 2%, making the lease a very marginal operation economically. The limousine profit margins will fall under the proposed bid for the following reasons:

1. The minimum bid amount is the amount currently paid to the airport by the three companies who operate the limousine booth concession (Airport Limousine, Golden State Limousine, Associated Limousines). The minimum bid assumes that the revenues currently being generated through the airport business of the three companies will be enjoyed by the winner of the bid. However, whichever of the three companies currently operating the limousine conecssion that is not the winner of the bid will take some of its airport business away from the bid winner. Therefore, the revenues available to the bid winner will not be equal to the revenues being generated by the companies operating the limousine concession today. I assume that the bid winner will conservatively lose 20% of the revenues that exist today.

2. The dispatching and driver rest structure required by the bid to be set up in the limousine staging area will cost at least $ 90,000 to purchase (assuming that a trailer or small "mobile home" large enough to accomodate drivers and dispatchers is purchased), maintain, and operate with complete telephone services over the 36 month duration of the limousine lease contract.

3. The limousine booth employee coverage requirement of 16 hours per day in each terminal will cost more than today, primarily because the desk will have to be covered in non-peak traffic hours in addition to being covered with more than one employee during peak traffic hours. Today, coverage can be confined to peak traffic hours with customers using the telephones during non-peak traffic hours.

My estimate of the economic impact of the bid on the operator /lessee is the following financially difficult situation:

PROFIT MODEL: SAN FRANCISCO AIRPORT LIMOUSINE BUSINESS

	Today's Structure		Proposed Bid	
Revenue estimate: 6 counties (annual)	$ 3,500,000	100%	$ 2,800,000*	100%
Expenses:				
Cost of transporation	2,170,000	62%	1,736,000	62%
Cost of sales	630,000	18%	504,000**	18%
Administrative expenses	315,000	9%	315,000	11%
Dispatch & driver management	175.000	5%	175,000	6%
Airport concession	100,000	3%	100,000	4%
Facility in limo staging lot			30,000	1%
Pre-tax profit	110,000	3+%	60,000	2%

* Assumes 20% volume loss to existing airport tenants who lose the bid.

** Assumes that sales costs are maintained at 18% of revenues, which may not be true due to fixed element of having to employ a minimum number of people at airport desks and in reservation center.

If these estimates, which are based on public information on file with the California Public Utilities Commission, are inaccurate in terms of operating expenses by 1 or 2 percent, you can see that the result of the bid can be either very marginal or disasterous.

II. Operational Difficulties:

I believe that the following operational difficulties will exist under the proposed bid;

1. In addition to staffing reasons, costs of operating the limousine booths will rise due to the lessee having to provide a facility to check-in and check-out all off airport operators meeting customers at the terminal gates. This would mean hundreds of check-in and check-outs each week, given the fact that there are several hundred off airport limousine companies in the San Francisco Bay Area.

2. Given the low profit margins in shared-ride limousine work and the low profits available to the bid winner, there will be an inducement for drivers of the bid winner to "pirate" the lucrative charter customers of the off airport operators, in the event that the off airport operator misses his/her passenger at the gate due to traffic congestion, and the

passenger goes to the limousine desk to make contact with the off airport operator.

3. Effective operation of a limousine business requires that dispatchers remain physically separated from drivers, to prevent drivers from exerting pressure on dispatchers to favor them with trip assignments. The bid requirement of a separate structure in the limousine staging area to be used for both dispatching and driver rest will make this necessary physical separation impossible.

4. Since no one operator has both the PUC authority and the vehicle fleet size to perform under the bid, a joint venutre is likely. However, experience in the San Francisco airport has shown that limousine drivers from one company do not co-operate effectively with drivers from another company. The current situation in the airport, though not ideal, is one in which the three companies operating the limousine desks have learned to co-operate to a reasonable degree. This degree of co-operation exists because each company is run autonomously. Once a joint venture is palced in a position of performing common dispatching of drivers and assigning trips to drivers of different companies, I believe that cries of favoratism and unfairness will be common, and the airport will experience more problems with the limousine lease than it ever faced in the past.

5. The problem of limousine "pirates" will continue to exist after the bid, as it does today, primarily due to the fact that the airport police force is not large enough to police every area of the airport on a constant basis. Pirates operate primarily in the evening, and do so by either intimidating or bribing and employee/representative who is covering the limousine booth. Despite the fact that there is an I.D. badge required of every person standing at a limousine booth, the airport police, who do an excellent job, can only be spread so thin. I do not believe that requiring the limousine booth employee to wear a uniform with improve this situation. Rather, if a limousine company employee is caught taking a bribe from a pirate, he or she needs to be repalced, and if an employee is intimidated by a pirate, he or she needs to inform the airport police.

III. Affirmative Action Goals:

Currently, there is only one company in a position to bid which is owned by a minority or woman. The fact is that the limousine industry contains a large number of minority owner limousine companies consisting of 2 vehicles or less. However, all large companies in a position to bid, excepting Golden State Limousine, are owned by non-minorities, and most of their drivers are non-minority (my estimate is 75%). If the affirmative action goals of the bid are not made more realistic, there will be no qualified bidders other than Golden State, unless other limousine companies replaced 25% or more of their experienced owner/operators with minority owner/operators, and required the driver owner/operators to purchase the majority of the

TO: MEMBERS, AIRPORTS COMMISSION

FROM: Frank Todaro, President
Airport Limousine Service of Sunnyvale, Inc.

SUBJECT: Limousine Lease Bid

the company. This seems highly unfair to the veteran drivers who will be terminated from their jobs after years of service, and rather unlikely that owners will appreciate being forced to sell their companies to their drivers to meet affirmative action goals. I believe that a more realistic affirmative action goal can be established and met, in light of the fact that approximately 25% of the limousine driver owner/operators of the companies large enough to bid are minorities.

Frank J. Todaro

cc; L.A. Turpen, Director of Airports

SAN FRANCISCO AIRPORTS COMMISSION

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MINUTES

NOVEMBER 20, 1984

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President
WILLIAM K. COBLENTZ
Vice-President
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL
ATHENA TSOUGARAKIS

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

Index
of the Minutes
Airports Commission

November 20, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ANNOUNCEMENT BY SECRETARY:		3
D.		DIRECTOR'S REPORTS:		
	1.	Consultant for Service Station		3-4
	2.	North Terminal Mobile Cart Lease		4-6
	3.	Report on I-380 Highway Construction Project		6-7
E.		ITEMS INITIATED BY COMMISSIONERS:		7
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	4.	Airport Motor Coach Service Agreement - Authorization to Bid		8,9-28
	5.	$20,843,599 Supplemental Appropriation for Capital Projects	84-0302	8
	6.	Award of Airport Contract No. 1572-Area and Security Lighting at Water Quality Control Plant, $75,254.00	84-0303	8
	7.	Award of Contract No. 1410A-2, South Terminal Graphics	84-0304	8
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	8.	Approval of Modifications to Sublease between Trans World Airlines, Inc. and Southwest Airlines, Inc.	84-0305	8

Calendar Section	Agenda Item	Title	Resolution Number	Page
	9.	Statistical Adjustments for 1984-85 Joint Use Billings under New Lease and Use Agreement	84-0306	9
H.		CORRESPONDENCE:		29
I.		TRAILING CALENDAR:		29
K.		ADJOURNMENT TO GO INTO CLOSED SESSION:		29

Minutes
of the
Airports Commission Meeting

November 20, 1984

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 2:00 P.M., in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Commissioners Morris Bernstein, William K. Coblentz, Ruth S. Kadish, Z. L. Goosby, J. Edward Fleishell.

* * *

C. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Section 54957.1, Jean Caramatti, Commission Secretary, announced unanimous adoption of Resolution 84-0301 regarding the settlement of litigated claim at the meeting of November 6, 1984.

* * *

D. DIRECTOR'S REPORTS:

1. Consultant for Service Station - Oral Report

Mr. Turpen, Airport Director, said staff has been discussing with Ed Plant the possibility of gaining their assistance in the upcoming bid for the on-Airport service station. As a result of those conversations Mr. Reed Redwine, of Mr. Plant's staff, has agreed to assist the Airport on a consulting basis. His involvement will include a review of what the Airport staff has accomplished to date with any suggestions as to changes to the specifications; and, developing a marketing plan for Airport staff to generate interest among eligible bidders and attendance at certain meetings to assist Airport staff in the evaluation. Mr. Redwine's services will require a personal services contract in the amount of $10,000.00. The Civil Service Commission has already approved that amount. Mr. Turpen explained that at the Commission's direction he was bringing this matter before them to review the cost prior to proceeding.

Commissioner Fleishell asked if any other company was approached.

Mr. Turpen responded that other companies were approached however Mr. Plant's organization, specifically Mr. Redwine, was the only person who had particular knowledge and understanding of the industry or showed any interest.

Angela Gittens commented that Mr. Redwine is the only individual with a background in service stations.

Commissioner Kadish asked to know specifically what the Airport will get for that sum of money.

Mr. Turpen responded that there will be a review of the specifications that were previously presented to the Airports Commission, an outline of criteria for the selection of eligible bidders, a marketing plan outlining what the staff can do to generate interest among the eligible bidders, attendance at the pre-bid conference, after the pre-bid conference written suggestions as to final changes and recommendations to the lease specs, assisting and reviewing the prequalification of bidders if prequalification is determined to be necessary and attendance at the Commission meeting to answer any questions the Commission might have at the time that we decide to either award or reject bids.

Commissioner Kadish asked if that was a not-to-exceed figure.

Mr. Turpen responded that it was.

Commissioner Fleishell felt it was a lot of money for what the Airport would be getting.

Mr. Turpen said that at this point the Commission really has two options: to continue with this scenario or to direct the staff to go ahead and bid the lease as proposed and possibly hold this scenario in abeyance in case we don't get the type of interest that we need. Having secured outside assistance and having obtained a cost the Commission must now decide if the expenditure is reasonable and, if it is not, would they prefer to have staff move forward on their own to see what they can do. Should that not generate sufficient interest then Mr. Redwine's assistance could be an alternate option.

Commissioner Bernstein said that if Mr. Redwine was successful in coming up with an excellent lease it could be a bargain, but if he's just going to put in an appearance and put an ad in the paper and interview a few people then it is not a bargain. He asked for the outline of the services in writing.

Mr. Turpen responded that he would send the information to the Commission and suggested putting the item over for final disposition at the next meeting.

Commissioner Kadish asked if it is possible to negotiate the contract on a not-to-exceed figure based on an hourly fee.

Mr. Turpen responded that it can be approached.

2. North Terminal Mobile Cart Lease - Oral Report

Mr. Turpen said the Commission asked staff to take a look at what type of concession activity we might incorporate in a cart located just outside the ice cream-cookie parlor at the entrance to Boarding Area E.

He said that the report indicates possible leasehold options and criteria used by staff, namely: merchandise not generally offered by nearby retailers, non-perishable goods suitable for a cart, items available at reasonable cost, and, goods attractive to the traveling public. Staff is recommending a magic and puzzle games type of concession, however, other ideas have been outlined as well as our rationale for not recommending those at this time. Staff's recommendation can be pursued or any alternate concession concept that the Commission desires.

Commissioner Goosby asked if staff has checked with other Airports regarding puzzle/game concessions.

Ms. Gittens responded that staff has not checked.

Commissioner Goosby said that he knew there has not been a pre-bid conference but asked if staff has made any determination as to outside interest.

Ms. Gittens responded that there has not been anything formal. She said staff has had some indication that small business enterprise might be interested in developing such a concept.

Mr. Turpen said that there are several alternatives outlined and staff is prepared to move on any of those which the Commission feels might be more viable in that location. He mentioned a flower stand, greeting cards, stuffed animals, chocolates and truffles, native artifacts and magic and puzzles. He said staff tried to pick something that wouldn't conflict with other concessions in the area. One of the things that we looked at was a candy and truffles cart, but there is the ice cream parlor-cookie shop right next door and that within a one-hundred foot area there are two concessions that sell truffles.

Mr. Turpen said he would defer to the Commission's expertise in this matter, but his feeling was that having that many concessions offering sweets might be counter-productive.

Commissioner Bernstein asked how much business does staff think puzzles and magic will do?

Mr. Turpen responded that he did not know that any business plan or business forecast has been made.

Commissioner Bernstein said that is what determines your rent.

Mr. Turpen said that staff could do some type of marketing survey of passengers going down Boarding Area E.

Commissioner Bernstein said he would like to go down there with Mr. Turpen and a staff member and suggested that the item be put over until that time.

Commissioner Goosby appreciated the breakdown and the evaluation of the various possibilities. He was not certain how anticipated revenues could be determined from a passenger survey.

Mr. Turpen responded that he would not have a high degree of confidence in that type of survey. Staff looked for an area in the market that wasn't being satisfied by concessions, typically, for passengers taking domestic flights, especially down that concourse where there is a lot of east/west traffic from Delta and American. It was felt that a small games/puzzle type concession might be attractive to passengers traveling with children or as a small gift. Staff would not proceed in the absence of interest but we have a feeling that there might be. It is simply an idea that seemed to have some merit.

Commissioner Goosby said that according to Ms. Gittens' last figures there are concessions in the North Terminal that are operating at the minimum guarantee level. He did not want to provide further competition for those concessions. He asked what the gross on candy was and the affect on current concessions a more convenient stand would have.

Commissioner Kadish said she was not adverse to pursuing this, however, if Mr. Bernstein wishes to do his own survey with Mr. Turpen that would be fine.

Commissioner Coblentz suggested the item be put over and agreed with Dr. Goosby that we have a responsibility, if not an obligation, to those people to whom we have given franchises in the Airport not to dilute their business, at least in the proximaty of where they do business. He said that we are not giving them a monopoly, but on the other hand, we have that responsibility.

Mr. Turpen said the item will be brought back to the Commission after he and Commissioner Bernstein have had an opportunity to take a look at the location.

Commissioner Fleishell commented that this situation is analagous to the game room situation we had a year and a half ago. He said that games were very fashionable and people were beating down the doors to put a game room in the Airport. The winner, Atari, would now like to bail out. He felt that the present preoccupation with games may very well die within the next 7, 8 or 9 months and some concessionaire will have invested his life savings in a business that has turned out to be just a fad. He suggested staff move very cautiously.

Commissioner Bernstein agreed with Commissioner Fleishell.

Mr. Turpen said that the alternative was to do it on a trial basis.

3. Report on I-380 Highway Construction Project

Progress report done on the I-380 Highway Construction program - (Airport Interchange, Northbound Viaduct and North Access Road Interchange.)

Mr. Turpen said that Cal Trans started the project in August, 1984 and that the project has had very little disruption to Airport traffic. He explained that two phases are presently being accomplished, one at the I-380 connection to the Airport and the

second is some modification to the existing interchange to pave the way for smooth traffic flow as construction begins. He reminded the Commission of the environmental study which is going on on the City's West of Bayshore property. He said that the environmental study was for a period of two years with a one-year option solely at the Commission's discretion. Staff has been advised by Cal Trans and the Federal Wildlife Commission that they will solicit the Commission for that optional year to conclude their study of the San Francisco Garter Snake which is an endangered species on the property.

Commissioner Goosby asked if we had to wait for them to finish that study before we do our Land Use Study.

Mr. Turpen responded that as long as the land is not physically impacted there is no prohibition against the City doing any studies with respect to the land. He said that the fact that the Commission has allowed this study to take place will accelerate any environmental review on any proposed utilization of that property in the future. So what we have done is concurrently run a study which was going to be required anyway and save three years in the process.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Goosby asked for a report on the status of the Land Use Study at the next meeting. He said it was his understanding that Mr. Friedman and Jason Yuen are looking at it.

Mr. Turpen responded that Mr. Yuen will be back by the next meeting and will give the Commission an update.

Commissioner Goosby asked for an idea as to when they think it will be ready to put out.

Commissioner Fleishell said that we attempted to have the Attorney General intervene in the Town of Hallie Case in the U.S. Supreme Court and filed an amicus brief on behalf of the State of California. The cable t.v. industry and the trash collection industry, dealing through Commissioner Coblentz and Commissioner Fleishell respectively, have written letters to the Attorney General's office, copies of which were sent to Mr. Agnost. He hoped that something will be done.

Commissioner Fleishell asked Mr. Turpen what happened to the Flying Tiger's request for a lease. He said they have written and you have responded and they called him wondering what was causing the delay. They asked if they're going to get the lease, why isn't the Airport moving ahead? If not, why aren't they told?

Mr. Turpen responded that he prefered at this point to delay responding because there are some matters that may be coming up of a legal nature.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

Item 4 was put over to the end of the calendar.

The following items were unanimously adopted.

5. $20,843,599 Supplemental Appropriation for Capital Projects.

No. 84-0302 — Resolution approving request to Mayor and Board of Supervisors for a $20,843,599 supplemental appropriation from Unappropriated Surplus to fund Airport capital projects.

6. Award of Airport Contract No. 1572
Area and Security Lighting at Water Quality Control Plant - $75,254.00

No. 84-0303 — Resolution awarding Contract No. 1572 to Coast Electric Company, 2490 Middlefield Road, Redwood City, CA 94063, in the amount of $75,254.00. Base Bid and Alternate 'A'.

7. Award of Contract No. 1410A-2,
South Terminal Graphics

No. 84-0304 — Resolution awarding Contract 1410A-2, South Terminal Graphics, to Pischoff Company in the total amount of $107,446.46. Budget for this work is $250,000. Two bids were received on October 3, 1984:

Contractor	Total Base Bid
Pischoff Company	$107,446.46
Thomas-Swan Sign Co.	$108,000.00

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

8. Approval of Modification to Sublease between Trans World Airlines, Inc. and Southwest Airlines, Inc.

No. 84-0305 — Resolution approving the Amendment and Extension Agreement to Sublease between Trans World Airlines, Inc. and Southwest Airlines, Inc. for certain South Terminal premises.

9. Statistical Adjustments for 1984-85 Joint Use Billings under New Lease and Use Agreement

No. 84-0306 — Resolution adjusting 1984-85 Joint Use Billings pursuant to Section 101.W of the New Airline Airport Lease and Use Agreement for Piedmont Airlines.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following is a verbatim transcript of the discussion of Item 4. This item was put over.

4. Airport Motor Coach Service Agreement - Authorization to Bid

Resolution approving contract documents for Airport Motor Coach Service Agreement and authorization to bid.

Mr. Turpen: Item 4, members of the Airports Commission, is the Airport Motor Coach Service Agreement. This is an authorization for staff to bid the Motor Coach Service Agreement. We've been to the Commission on several occasions with the specifications on this Agreement. Essentially it's a five year term with a single five-year option in the Commission. Preferential status extended to the successful bidder and a fixed-stop location within a defined boundary within the city limits of San Francisco. The bid item will be the deplaning passenger multiplier and a minimum annual guarantee of $400,000. I know the Commission has repeatedly reviewed these specifications and would make the floor available for anyone who wanted to comment to this item.

Commissioner Kadish: Yes, I'd like to ask one question, Lou, if I may. Mr. Chairman?

Commissioner Bernstein: Yes, go ahead.

Commissioner Kadish: I note that the specs say that there shall be at least twelve large busses. What are the current number of busses that are in use?

Steve Leonoudakis, SFO Airporter: Thirty-one.

Commissioner Kadish: Thank you. Thirty-one. On what basis was the selection of number twelve made and how does that coincide with the further specification in those specs that there shall be first class service. In other words if we currently have thirty-one why do we have twelve. Will that give us first class service? That's question number one. 2. What would be the time factor involved in increasing the number should more than 12 be necessary and would

there be a diminution of first class service while that was being affected. My third question has to do with something which we discussed at a previous meeting in which we spoke not of having not large 45-seat busses, but rather mini busses. Those are my three questions.

Mr. Turpen: I'd like Sheldon to comment on the number of busses. As far as the mini busses, Commissioner Kadish, I believe that in here you'll find that the Director (interuppted by Comm. Kadish)

Commissioner Kadish: Oh yes, that's why my second question.

Sheldon Fein, Landside Operations: Under the contract we were, at peak periods, requiring bus service once every ten minutes. In order to run the busses into the City on a ten minute headway and to provide enough busses for maintenance and so forth we came up with the number of 12 busses. It depends again and the operator can put on more busses and decide to run service to various areas of the City. We were primarily serving the downtown area on a ten-minute headway figuring that you'd have 10 out of the 12 busses in operation at one time with two being in maintenance. This would give you about a hour and a half for a bus to make a round trip or roughly 100 minutes; a little more than an hour and a half. That's how the number of 12 is basically arrived at.

Commissioner Goosby: You have 15-minute headways.

Sheldon Fein: It's 15-minutes headways between, excuse me. Okay. It was 15-minute headways. Right now the busses run during peak periods at a little closer headways in the very heart of the day. But with the maintenance and so forth we thought that the 12 busses would be adequate to serve.

Commissioner Goosby: With the 15-minute headways you figure that that would be adequate.

Sheldon Fein: The 15-minute headway means that the bus only has to make a round trip about once every two hours rather than the hour and a half.
Commissioner Kadish: What about the other factor, the mini busses?

Sheldon Fein: Really, for the efficiency of the operation during the major portion of the day when it's busy you really need the larger busses. It would probably be very efficient for the operator at night, midnight shift, other shifts to put on the smaller busses and so forth and possibly save on the driver expenses and save on fuel and the operation but it's up to him, he still would be required to have a certain number to handle the peak volumes during the day when the busses do fill up.

Commissioner Kadish: In other words he would be required to have 12 of the larger busses, any mini busses would be in addition.

Sheldon Fein: He could operate a fleet of 30 or 40 busses; we're not requiring him to; and he could branch out to various areas in the City.

Mr. Turpen: The question, as Commissioner Kadish was saying, he must have 12 large busses.

Sheldon Fein: That's correct.

Mr. Turpen: And any mini busses would be in addition to those.

Sheldon Fein: Yes. This is the minimums for the level of service for the contract. He can put on any additional service that he desires or as the market conditions change he can add different service and so forth.

Commissioner Kadish: So that leaves only unanswered my second question and that is how much time would be involved in putting on new busses to adjust to a particular change in the situation?

Sheldon Fein: If you're talking about ordering busses, right now there's probably a waiting time of 8 months or so if you placed an order.

Commission Kadish: Then how, if we have a minimum of 12 and more were necessary would we, in that interim period of 8 months, be able to provide the first class service that you designate?

Sheldon Fein: As the market is changing, he would look at that and again place his orders. As an interim means, most of the bidders are going to be existing bus operators and would have other busses in their fleet and so forth so during an interim period when they had busses on order we would probably have to accept a different vehicle, or some other vehicle that may not be brand new as he was going, as long as he started out with the 12 and maintained as he enlarged his fleet gradually brought it up to the new standards.

Commissioner Goosby: Sheldon, do you think there is any objection or do you have any objection, do you think there's much resistance by the operators if you set at say, instead of 12, say you set it at 13 or 14 so that you kind of take into account the possibility of repair, breakdown and so forth so that you can still maintain that level of service that you want assumming that there is going to be some kind of breakdown. Right now I'm assumming that you haven't built that into your...maybe you've already built that into your twelve.

Sheldon Fein: We've built that in but there are several operators here that you may want to ask the question because at the pre-contract conference some of them suggested more busses, others suggested less busses. So it's really gone in both directions.

Mr. Turpen: At this point Dr. Goosby out of the 12 busses staff is maintaining that headways can be met with 10 of the 12 operating. You get down to nine of the 12 you're really talking 25 percent of the fleet down for maintenance at any one time which would cause us some concern at the Airport.

Mr. Leonoudakis: Mr. Chairman, being one of the operators, will we have the opportunity...I just want to give you some information.

Commissioner Coblentz: Steve, silence is sometimes golden.

Mr. Leonoudakis: I'll take your advice counselor.

Commissioner Coblentz: Go ahead.

Commissioner Fleishell: I have some comments to make about the Agreement and I'd like to apologize to the Commission. Normally a document of this size I read it in a weekend calling staff on Monday and make my comments privately. Unfortunately I've been out of the City and because of the importance of this document I spent the hours yesterday and this morning, three more hours, going over it and I

must say it falls short of what I call a carefully prepared document. If someone will follow the copy, there will be some questions and some just basic comments.

On page 3 of the document: Extent of Demised Premises, the 2nd paragraph says that the operator will be given the option to design a counter, etc. etc. And yet on Page 6, Paragraph 4.02b5, it says the operator shall operate at least one booth. Is he given an option, is it mandatory? Someone should clear that up because it's not clear to us. I'm not sure it's going to be clear to the bidder.

Page 4, under 4.01: Uses Permitted, Second Paragraph: It says that operator further understands that it is restricted under this Agreement to the operation of a motor coach service. Then the next sentence says Operator shall not engage in any other business without the prior written approval of the Director. I don't think anyone on this Commission is going to vote for an Agreement that allows the Director to enable a bidder to engage in another form of business. That is not what we're talking about.

Mr. Turpen: Sorry Commissioner, what page are we on?

Commissioner Fleishell: Page 4, the 3rd full paragraph. In other words they cannot engage in any other business unless the Director consents. Unless there's a different agenda on the part of the staff than I'm aware of, he has absolutely no right to engage in any other business than that prescribed in the bid. Let's move on.

Commissioner Coblentz: Wait a minute. Supposing I have a bus service. Am I then not authorized to bid say for a candy store which is separate and apart from that?

Commissioner Fleishell: That is not what the document says. It says that he can engage without bid with the consent of the Director and that's the whole point. There's no question he can bid on any business he wants, but the language is at best confusing. At least to me.

Commissioner Coblentz: It seems to me on this we should not freeze that operator from doing anything on the Airport. Whatever he wants to bid on he should be able to bid.

Commissioner Fleishell: We agree. No one's arguing that.

Commissioner Kadish: It's just a question of verbiage.

Commissioner Fleishell: If the document wants to be amended to say nothing in this document shall preclude the operator from bidding on other diverse businesses. No problem. But the document says he can engage only at the consent of the Director.

The last paragraph on Page 5: by implication "the Director, within 90 days after... award shall make an objective review of the proposed San Francisco fixed stop..." If that language is intended to give the Director the right of refusal of acceptance, in other words the right of veto of the so called terminal, it ought to say that. By implication it says that, but it ought to directly say that the Director may refuse to accept such a terminal or facility, as the case may be. It does it by implication but it should be expressed.

Page 6: talking again about this whole idea which Mrs. Kadish brought up, it says "first class service". First class service is a goal it is not a legal definition and in order to get that goal achieved you have to spell out in some meticulous detail what you think first class service is. You're talking about the fixed stop location shall have: A. public toilets, B. telephones, C. 24 hour service. I raise the question, should it be manned, should it have any requirement to be cleaned once in a while, should it be illuminated, should it be heated, and if you intend any of those things you must require; should it be near a cab facility so people dumped there aren't left standing there without the remote possibility of getting to their hotel. Again, if you're talking first class you've got to spell it out. That has been my experience.

Paragraph 4, Page 6: The same comment applies. You're talking about the 10- minute unloading of all the South, International and North Terminals combined. I honestly don't know what that means and if you're talking about first class service you don't mention baggage handlers, you don't mention dispatchers, the only legal requirement in this contract is that the bus have a driver. If you've got one person by law required to do all these things, he's trying to make change, stuff the baggage in, collect tickets and do whatever they do, it's kind of hard. I wonder why we're diminishing the service we presently have and still talk about giving first class service. All I'm saying is that the language there is not clear to me. I'm not sure what it means.

The bus reference on page 7: Again, if we're talking first class service should not there be a requirement that the bus have heat, air conditioning, I don't know about radios for safety. We talked about that for cabs but neverdid anything about it. That's something that ought to be considered if you're talking first class service. Then if you agree that those things should exist there is no requirement in here that the bus is ever going to be inspected.

Commissioner Coblentz: It says heating and air conditioning should be available.

Commissioner Fleishell: Is it a requirement? That's all I'm asking. On inspections I think that the PUC now has some mandatory safety inspections, but it doesn't cover things such as cleanliness and what we would call first class amenities and if we are going to have an inspection we should spell out in here how we will do that and with what frequency. Again, it depends on what you're trying to do. PUC also is getting out of this business and we should provide that when they do get out of it what do we do about inspecting, safety, etc. Again, that's future but we're talking about a 5 year agreement.

The last 4 sentences on the same page talks about the discount for employees of the Airport"...will travel on operator's vehicles at rates comparable to or lower than rates..." If "comparable" is meant to mean "equal to" it should say it. I don't know how you can have a comparable rate or a lower rate. It should say "equal to" or "lower". Again the same sentence says, "operator charged by other transit operators serving similar destination of operator". You've got a requirement that he have a fixed base which I assume will be his base. I don't know how you can have similar destination when you have no terminals downtown that I know of. Again, it should be spelled out.

Page 8: We require that the winning applicant provide us with copies of any applications filed with the PUC. Again, if we're talking about first class service it's not just applications we should be interested in, its complaints and any correspondence dealing with this particular route. Any requests made by the public or any agency dealing with this particular route.

Page 9, Subparagraph M: I think it's important to spell out a little more carefully that the operator, though given a non-exclusive right to use a particular bay, cannot permit others to use the bay for other purposes. It is implied and it ought to be expressed. You're saying that he can't divert business. He could say this is not a diversion and you end up with an argument. Because if he's going to have the right to that he may well, if he has allied companies involved with his firm, want to give them an edge over other noncontractual firms at the Airport.

In 4.03: You give a request that the winning operator provide you with the identity of the member that speaks for him at the Airport and say that "he shall retain within the Airport premises"...I would think if I wanted someone there I'd like to have a specific location or a phone where I could reach him as the Airport's a large place and you could never enforce it unless you have something a little more detailed.

On the investigative reports, with the permission of the Director, he shall hire an investigative firm to check out what he's doing and then, he, the operator will give the Airport a copy. I suggest that there should be an arrangement where the investigator gives the Airport the copy because if you've had any experience with investigations if I got a copy of a report which was critical of me I call the investigator, whom I hired, that I will be paying, and tell him to either straighten out the report or you're never going to get hired again.

Page 10, 4.06 the first paragraph: We are permitted to enter into his property to make ordinary repairs to City property. It seems to me that careful drafting should also exempt the City from damages as a result of these minor perhaps major interruptions. Again, that's something to consider in drafting.

Paragraph 4.08 on the same page: "Operator shall not do or cause or permit anything to be done..." Well suppose he stands there and a guy is selling dope next door he hasn't done it, he hasn't caused it, he hasn't permitted it. The language usually used is "or suffer to be done" as you use later in the same paragraph. I wonder why there's a difference in treatment in the middle of the paragraph than at the front.

The bottom comment is they shan't "...do or permit to be done anything in any way tending to injure the reputation or appearance of the terminal building complex". I didn't know the terminal building had a reputation.

Just grammatically on 11.."transferers" is really "transferors", spelled with an "o". Several places in that paragraph.

Also on that subject the Commission suggested this language some years ago, and that has to do with the transfer of majority or a substantial interest, above 10 percent of the ownership of shares of stock of any bidding, winning operator. You provide that exemptive is any transfer to the immediate family by gift, bequest or intestate

succession. What about a sale? Suppose the man wants to sell it to his brother? Why should a sale not be exempted? He can give it to him for nothing, why can't he sell it and he may well want to establish a totally different tax basis for any number of reasons. Then, if you really are trying to accomplish something here I'm not sure you've done it because suppose the winning bidder is Ajax Corporation which is owned by B Corporation. B Corporation is owned by 18 people. Eighteen people can sell the stock to whomever they want. There is no change in the stock ownership of the bidding corporation. It always remains B Corporation so what have you really accomplished? Someone should be thinking about it. If the guy's going to be artful enough to want to get out of this Agreement he'll be artful enough to think of some rudimentary things like that.

Page 12, the next to the last paragraph: requires the payment of fees under the Agreement to go two months backward. I assume that was because it was kind of hard to get an accounting sooner than two months, yet the last sentence you say, "Payment in each monthly instance shall also be accompanied by a statement from the previous month showing the operator's gross revenues."
Well, if you feel you have the capability of getting an accurate statement of the previous month's gross revenues why not collect the month? Why have someone always two months behind? Why not just one month? Maybe I'm missing something.

Page 13, the second paragraph: "No later than 90 days the operator shall furnish an unqualified report certified by either a CPA or a public accountant of the gross revenues." Notice that's either a CPA or a public account. Yet in the next paragraph when he's going to give you a copy of the appropriate sheets of his federal and state income taxes, you require it to be certified by a certified public accountant. That's kind of strange. On the one hand you're getting his report of the cash he's collected and you're willing to have it certified by a public accountant, but yet when you're getting a copy of the document he's filed with the federal government, it must be certified by a CPA. It just seems to me that if the public accountant's word since he can not certify anymore than I can certify, is good enough for the one paragraph he ought to be good enough for the other.

Page 16, the last sentence in 8.01: "City may also agree to make the repairs...." This is when at the end of the tenancy the operator is removing fixtures that would cause permanent damage to the leasehold interest, the City may also agree to make repairs on condition that the operator reimburse City. Well, of course the City can always agree to do anything. You might consider putting in there "the unilateral right of the City to make the repairs that are necessary and charge the faulting tenant". Because obviously if he's the kind of fellow that is not going to make these repairs unless we ask him to certainly he's not going to agree with the City to have the City do the work and then pay them, so we should have the unilateral right without agreement to make those repairs.

Page 17, 8.04: Signs and Advertising. "Operator shall not display any advertising, promotional or informational pamphlets, ... within the terminal building complex without the express written consent of Director." Now, the way it is presently written, if I am the operator I come to the Director with one pamphlet and I say I would like to display my advertising literature. You write the letter saying you have my consent. Then, from thereafter I can bring in any other brochures I wish. If you want approval on each specific brochure you should spell that out. The present language does not accomplish that.

10.05 on page 21: This is Abatement of Rent-Operators Remedies: "If the Airport premises are partially destroyed...the rent payable for the period during such damage and repair continues shall be abated in proportion to the extent to which operator's use of the demised premises is impaired." I'm not sure that's been well thought out. This is standard boiler plate language. When you're putting a shop in a building and the building is damaged and you cannot utilize the shop. To the contrary, here you're charging on the basis of the number of people who land at the Airport. Let's use an example. The Central Terminal is closed down because of asbestos in the ceiling, all right. We still have the identical number of people landing at the Airport. The payment due to us is still constant in the absence of this paragraph and those people are still coming in and will be carried downtown even though he has been deprived of one-third of the use of the premises it has no relation, or certainly a very remote relationship to the diminution of income by him. Somebody ought to be looking at that because the way it's written he could still be taking the same number of people downtown and be able to demand a one-third abatement of rent.

Page 22, Paragraph e: The usual language is the default if you file bankruptcy. Well, you keep putting that language in and you know full well you can't cancel them out but I guess there's not much we can do about it.

Page 23: Talking about interest. One of the remedies by the City would be to collect rent as it becomes due together with interest thereon at the rate of up to 18 percent per annum. What is the agreement with someone who signs this? How can you agree to collect up to 18 percent? Who decides what? If you mean 18 percent you should say..."collect rent with interest at the rate of 18 percent." Now if you're talking about the 1-1/2 percent per month which the Commission has already adopted that's not 18 percent, that's 19.57 percent per annum.

The same comments apply to paragraph 11.03a on the same page. Up to 18 percent. I don't know how you put that into a legal document.

Page 24, a paragraph that I don't understand at all. "The worth at the time of award of the amount referred to in subsection C is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent." Can someone give me an example. If we have someone who wins this and it's $400,000 a year and they have 3 years to go and we sue them and win. How do you calculate the award under this? Who invented this? Simple example: three years to go, $400,000. He's never made over the minimum. How do you calculate what he owes us? Mr. Turpen who invented this?

Mr. Turpen: I'm not sure where the language came from.

Commissioner Fleishell: Ms. Gittens do you know?

Angela Gittens, Deputy Director for Budget & Finance: No, I don't know.

Commissioner Fleishell: Well, if by this language it is intended to mean the present value, by that is meant the right to collect today that which you normally are not entitled to collect in the future. There's certainly better language than this to do it. I'm not sure what it means very frankly and apparently the staff is not sure. We have to look at that one more carefully.

Paragraph 12 on page 24: "if the City's operation of Airport or operator's operation..." in other words, if the City's operation of the Airport or the bus operators operations at the Airport should be substantially restricted", Do you realize what that's saying? I'm not sure you meant to say that because I can think of our operations being restricted which would have absolutely no impact upon the tenant. The impact should be on the tenant, not on the City. The City could have all kinds of impacts that have absolutely no effect on the tenant and we should not therefore abate a just proportion of the facilities and so forth.

The last sentence in the same paragraph 12 says "...may suspend the Agreement in entirety by giving the operator written notice, if possible". Again, I don't know what that means because page 27, 14.09 provides for written notice under the terms of this agreement to the operator at the Airport, his designated agent, and to his location downtown. So how can it be impossible to give him notice?

One final comment. This Commission proposed over a year ago an amendment to the Administrative Code dealing with the documents and bid finances. You recall the law then in the Administrative Code provided only for a cashier's check and we had suggested a letter of credit. Did that ordinance pass?

Don Garibaldi, Airports General Counsel: Yes.

Commissioner Fleishell: Good. Well the Commission, certainly this Commissioner never heard it pass. The last I heard the Finance Committee, Mr. Molinari, was offended by some such. In any event, the language contained in the bid is not the language intended by the Commission and it is suggested that ordinance be amended. It says cashier's check or irrevocable letter of credit. With an irrevocable letter of credit you are worse off than with a cashier's check unless you add the word "unconditional" or, as they say in the banking business, a "clean letter of credit." That should be in there. That's a terrible omission. It must be a clean letter of credit with one sentence on it that says "upon the demand of the Director of Airports or, in his absence, the President of the Commission, the paying bank shall pay." So there is no defense, no qualification in any way.

I guess my last comment was made earlier by someone on the letter signed by Ms. Caramatti that the bidder shall send an irrevocable letter of credit. Again, the same should be unconditional irrevocable letter of credit in the amount of $200,000 drawn on a solvent bank. Who on our staff can determine whether a bank is solvent? What it should say is it should be drawn on a bank insured by either the FDIC or the Federal Home Loan and so forth because you can't determine the solvency that I know of.

Those are my comments. Forgive me for being so lengthy.

Commissioner Bernstein: At this time perhaps we ought to hear from some of the people who are here who want to talk on the Agreement. Mr. Roger Murphy.

Mr. Roger Murphy, Trailways Bus Lines: Good afternoon Commissioners. My name is Roger Murphy. I represent Trailways Bus Lines. I just had a couple of brief questions. One of the Commissioners related briefly to it. Contained in the sample bid document that I received was a mention of non-exclusive service. It

was my understanding that the present provider enjoyed exclusive service from downtown San Francisco and would be the only provider that could sell that service. Is that what's intended, or not, by the language in the bid document? If it's exclusive service and would be the sole responsibility of the provider then I think the bid document should say that. Or, if it means, on the other hand, that other companies may provide service to the Airport from other locations other than downtown San Francisco, then I think the bid document should reflect that. I was wondering if the Commission had reviewed that language and could answer the question now or if maybe we could get an answer at another later date.

Commissioner Fleishell: I think you're entitled to an answer now.

Mr. Turpen: It is not, and I'll defer to Mr. Garibaldi, but it is not intended to be exclusive to downtown San Francisco. There are a number of parties presently under the deregulation policy of the PUC that operate from downtown San Francisco to the Airport and dropped off at the Airport. That's why in our bid specifications one of the things we focused on was arriving passengers as opposed to total passengers at the Airport. It is not exclusive on departure from the Airport it is only preferential on departure from the Airport. We can not guarantee exclusivity of the route between the Airport and San Francisco. At present there are operators who can pick up on a pre-arranged basis at San Francisco Airport and do so and deliver people to the City.

Commissioner Goosby: I thought the legal question on that was straightened out.

Commissioner Coblentz: But as a practical matter (interrupted)... that bidder will have certain places at the Airport which others do not have.

Mr. Murphy: Likewise then allow me to ask this question if I may. Are you not then diminishing the value of the bid document itself. The value to the carriers....Let me ask you this question and then maybe that would point out what I'm getting at. Does that mean then today Trailways or any other provider of service could go to the Airport or come to you as the Commission and apply to sell transportation from downtown San Francisco to the Airport? Is that what that means?

Commissioner Fleishell: They don't need our permission. They need only our permission to pickup without prior appointment from the Airport to deliver them elsewhere.

Mr. Garibaldi: That's correct.

Mr. Turpen: There's no control by the Airports Commission over traffic originating in San Francisco coming to San Francisco International Airport to drop off.

Mr. Murphy: And from the Airport to downtown San Francisco?

Mr. Turpen: There is a restriction in the sense that the Airports Commission on non-prearranged traffic the Airports Commissions has defined certain areas on the lower level adjacent to the buildings for pick up of passengers. Those areas are termed in the agreement "preferential" areas. However, this is not a prohibition on companies coming to the Airport on a prearranged basis and picking up passengers from the Airport.

Commissioner Goosby: They can't solicit.

Mr. Turpen: They can not solicit and they also do not operate from these zones.

Mr. Murphy: One of the other questions in reviewing the bid document. Has there been any determination from the time the bid is awarded until the time that the service would actually commence by the provider to give sufficient lead time for the providing of the type of equipment that you would require on that service? If there is such a time in the document I don't actually see it.

Mr. Turpen: Page 2, I believe, states the commencement of terms.

Commissioner Kadish: 120 days after approval.

Mr. Turpen: 120 days for a period of 5 years.

Mr. Murphy: I think one of the Commissioners had already mentioned or you had mentioned that the lead time on ordering equipment in today's atmosphere I think was around 8 months.

Commissioner Kadish: Well, that was if there was a necessity for adding busses. I think that's what Sheldon mentioned. Should there have to be more busses added it would take approximately 8 months. Is that correct? To order them.

Sheldon Fein: We ordered our shuttle busses and at that point it was approximately 8 months from the time the order was put in until the busses were delivered so I was going by that.

Mr. Murphy: I then have only one other last question and that is has a date definite been set at this time when the bid will actually be put out and closed?

Commissioner Coblentz: No.

Mr. Turpen: No. I didn't hear the question. At this point the question before the Airports Commission today is whether or not to authorize bidding of this Agreement. If the Commission elects to bid this Agreement then we will go forward with the documentation. No date has yet been set

Mr. Murphy: Thank you very much.

Commissioner Bernstein: Mr. Cassell, Grovesnor Bus Lines.

Good afternoon. I'm Bob Cassell appearing on behalf of one of the prospective bidders for this contract. Our concern is with the last section of 4.02, Operational Uses, which is n, appearing on page 9. The question we have is with respect to the term "...generally prevailing rate of salaries, wages and employee benefits for similar work..." It is my understanding that the question of what that determination is or whether it's been made has already been directed to the Commission and at least my client is not aware of what the answer to that question is. We reviewed the ordinance and of course the ordinance provides for the Civil Service Commission to make that kind of determination. It would be almost incumbent upon the Commission to give us more guidance on that prevailing wage issue so that we can be bidding apples against apples and not against oranges and bananas.

Commissioner Fleishell: Have you read the new ordinance?

Mr. Cassell: I've read 140.84. That's all.

Commissioner Fleishell: This is a very tough question. I can't answer you.

Commissioner Coblentz: Maybe staff can answer you. I can't.

Commissioner Kadish: Dennis?

Dennis Bouey, Deputy Director for Facilities, Operations and Maintenance: Commissioners. Not trying to compare apples with oranges but this issue often comes up in our construction contracts. The Civil Service Commission relies on the survey done by the State Industrial Relations Department and they publish annually what the prevailing wage rates are for a number of classifications to include such things, I believe, as auto mechanics. Now whether or not bus drivers are included in that I don't know. But that is the survey that the City does rely on.

Commissioner Fleishell: Dennis while you're there, you're probably aware that there are probably 6 or 8 bus companies in this room and I dare say not one of them pays the same wages. All of them, many of whom all have union contracts. It was a surprise to me when I learned that but there is a great disparity in the wages paid the bus drivers.

Dennis Bouey: An example of that would be two different extremes Commissioner would be for instance the plumbers' union in San Francisco has one wage rate. On the other hand, the stationary engineers negotiates individual contracts. You could go to adjoining apartment houses or hotels in some instances and find two different wage rates. So again it's the State, in this instance, that the City relies on to go out and gather that information and determine what they believe to be the prevailing wage rate.

Commissioner Kadish: But isn't there a range, Dennis?

Mr. Turpen: Commissioner Kadish if there's a union contract it is exempted from this legislation so if in fact as has been indicated they have, or there are existing contracts with unions for these specific activities then they are exempted from the prevailing wage legislation.

Commissioner Coblentz: What about the present operator? Is he under a union contract?

Mr. Turpen: Yes, I believe he is.

Commissioner Coblentz: Steve, you're under a union contract?

Mr. Leonoudakis: We are. We have union contracts with the mechanics. We have bus drivers, baggage handlers they are all under union contracts.

Commissioner Coblentz: What about the prevailing wage ordinance that we have in effect now? That's exempted because he has a union contract?

Mr. Turpen: There are two things Commissioner Coblentz: 1) If there's an existing union contract my understanding of the situation

is those are exempted from the prevailing wage ordinance. The second factor is that the prevailing wage ordinance doesn't take effect, I don't believe, unless there is a complaint filed with respect to the wages being paid by some group which presently...(interrupted)

Mr. Leonoudakis: I don't understand that; the term exemption. For example, we unfortunately, have the highest wage rate for drivers in this area. Are we not the prevailing wage?

Commissioner Goosby: Not according to what they just said. The Civil Service Commission uses the State figures and the state figures I assume..(interrupted)

Mr. Leonoudakis: But when the shuttle bus contract went out to bid the union scale was affixed to that call for bid as an exhibit and stated that that was the prevailing wage for this service at the Airport. That was part of that agreement. Otherwise I'm at a distinct disadvantage if that's the case and I'd be discriminated against.

Mr. Cassell: Somehow I lost my place in line. I'm not used to getting pushed around like that. I guess our question was, this may only be language and maybe it's all been clarified but before I go on to that I notice that you ussed the word "generally prevailing rate" and the word "generally" doesn't appear in the ordinance. But maybe my question has already been answered. But I wanted to follow up on Mr. Leonoudakis' question. Are then our clients simply to indicate in their bid that they have an existing union agreement with the labor organization and that that will comply because that exempts them from any further consideration of the range of that rate.

Commissioner Coblentz: Mr. Cassell all you've done is raise questions in our mind. We can't answer you and that just shows that this bid isn't ready to go out until this is clarified for your own protection as well as ours.

Mr. Cassell: Okay. I guess I've raised the point and I'll sit down. Thanks very much.

Commissioner Coblentz: He makes a good point about the word "generally". Our language should be consonant with the ordinance.

Commissioner Kadish: Right. Absolutely.

Commissioner Bernstein: Mr. Bob Werbe, Grosvenor Bus Lines.

Mr. Werbe: Commissioners. There have been a lot of questions raised. There is just a couple of things that I was concerned about is the insurance. I don't think $20-million worth of insurance when you're carrying over 40 passengers is adequate. I think at a minimum it should be $1-million per passenger or $40-million. The next question that I see is at one of the pre-bid conferences we were talking about the equipment and we were talking about 40 foot coaches with 3 bins and a couch that's made in the United States and I just wonder what happened to that request about specifying that the coaches be of American manufacture.

Ms. Gittens: We frankly saw no reason to add that restriction into the bid.

Mr. Werbe: Okay. I'm just looking out for employment.

Commissioner Coblentz: I'm sorry.....You were saying that they talked about 45 now it's 35.

Mr. Werbe: Yes, or 40. Well, new busses that are manufactured in America right now are 40 foot coaches.

Commissioner Coblentz: At least 35, that sort of leaves it open.

Mr. Werbe: Yeah. Okay. The way the coaches are manufactured today if you were to have even a coach that's 5 years old of the quality that you expect to get, they have 3 luggage bins and they are 40 foot long and they're made in the United States of America.

Commissioner Goosby: If you have one do they go back 10 years ago; were they still making the 40 foot?

Mr. Werbe: 1975 I thought. It's getting close. It's getting close.

Commissioner Coblentz: Are foreign made coaches 40 feet, too?

Mr. Werbe: Foreign made coaches you can get any kind of a thing you want. They're just all over the place. The other question I had was on loading a vehicle in 10 minutes at all 3 locations. The idea is fine and there's no problem doing it providing there isn't traffic congestion going from one terminal to another terminal. I think there should be some language in there allowing for traffic delays.

Commissioner Fleishell: I don't know what it means. What does it mean?

Commissioner Goosby: Will it mean 10 minutes after they stop?

Commissioner Kadish: It's hard to know what is meant.

Commissioner Coblentz: If it's 10 minutes after you stop, traffic has nothing to do with it.

Commissioner Fleishell: That isn't what the language says.

Commissioner Coblentz: That's not the question I asked.

Mr. Werbe: Right. What is your question?

Commissioner Coblentz: If, after you've stopped, is 10 minutes sufficient time?

Mr. Werbe: Yes. Right. The problem is..(interrupted)

Commissioner Bernstein: The problem doesn't concern us here.

Mr. Werbe: That's all I have.

Commissioner Bernstein: Thank you. Next. Joe Yee.

Joe Yee, Greyhound: I have just one simple question. How come 45 seats, not 43 seats?

Commissioner Coblentz: Does a 40 foot bus have 43 or 45?

Mr. Yee: I worked for Greyhound Line and our busses are 43 passengers and that poses the question how come 45, not 43? You could take out the bathroom and put two more seats in but that drops your first class.

Mr. Fein: The standard 40-foot bus has 45 seats. I don't think at this time we' talked about having actually having bathrooms in the bus and that may be the difference in language and Greyhound has the bathrooms in the busses themselves and that's where the difference is.

Commissioner Fleishell: That's what he just said.

Commissioner Coblentz: But that militates against Greyhound bidding. Is it necessary to have 43?

Mr. Turpen: I think the correlation was drawn between size and the typical number of seats and that's how it was installed. I don't think there was any prohibition or any requirement that exempts the 45 versus the 43.

Commissioner Kadish: So make it within the range of 43 to 45, or even 40 to 45.

Mr. Turpen: It's not a point which I think there's any great analysis.

Commissioner Coblentz: No but the argument could be made that we are discriminating.

Mr. Turpen: I understand and as I said this is a point we will waive.

Mr. Yee: Okay. Thank you.

Commissioner Goosby: And 40 to 45 would expand the number of people who could be interested.

Commissioner Bernstein: Mr. Leonoudakis:

Mr. Leonoudakis: Thank you, Mr. Chairman. I want to address page 5 of the contract though I believe I'm still entitled to some equity in conjunction with the terminal which we built at the request of the Airport and the Mayor, but I'll talk about that on another day. But if you'll look at page 5 it advises you that the operator must come forth with a fixed stop in San Francisco and then it says in the introduction it says downtown San Francisco then it goes on to describe downtown San Francisco with the following parameters and I've never heard this description for downtown San Francisco: Franklin Street on the West. The Embarcadero on the East and North and Harrison Street to the South. We have 16,000 hotel rooms within walking distance of Taylor and Ellis. That's where the current terminal is and I think that the definition should be certainly more succinct. But this definition even suffers as we go further in that it has no place at the terminal for taxicabs coming onto the site dropping off passengers. It says it will be a thousand foot location with restrooms. That could be the lobby of any hotel it could be a storefront and anything else but when you come to a terminal facility you want cabs to have a drop off you want them to be able to come to a place and pick up people so you need ingress/egress for the cabs. In addition to that the site ought to be where the industry is and where the tourist wants to go. This is not a definition of downtown San Francisco. For example, if I had or if I were a bidder and I had a piece of property on Harrison Street would you want me to bring the Airport fares first to Harrison Street and drop them off? I'd meet this definition. What happens to the fare then? Then he has to take another mode of transit from that place to downtown San Francisco where we really are. But more importantly the definition of terminal, a thousand square feet, is absolutely ridiculous. You need

space for 8 busses. Drivers have to come, park their bus, take their break. You have to have three busses coming in, going out. You need space for hundreds of pieces of luggage. You can't do that in a thousand square feet. People are going to be crawling all over each other. Not only that, but when it rains there's no room in a thousand square feet. They have no shelter at all. We'd be back to where we were. So this whole area in the treatment of terminal is out of context with reality.

I wanted to introduce the man who knows more about running the Airport bus service than anybody in this room and anybody in Northern California because he's run this service for 20 years for Barrett and he followed with Airport Transit and I address this to Commissioner Kadish because you're the one who asked the most propitious question: what is first class service? And Gordon Esposto runs this system for us and I'd like to, Gordon would you step up. He is the General Manager of the Airporter operation and he's been doing this work for Barrett, for ourselves, and the others for 20 years and I'd like to have him describe what is really, what is entailed in a first class bus service.

Mr. Esposto: Good afternoon. Nice to see you all. The first comment I would like to make is that last Thursday Airporter departed your Airport with 169 trips. Under this document you require the operator to depart 72 times, way less than half. We transported over 4,000 people that day in 40-foot state of the art busses. When I went to work for Barrett your Airport handled less than 8 million people. Every year we've improved, we think, the service, added newer equipment having capabilities of handling this traffic. 25 million in 1984. Barrett sold the bus company to Yellow Cab in 1966 and managed to go bankrupt in 1976 at which time the Leonoudakis family bought the bus company and improved it. In the last year and a half we bought 11 brand new busses.

Commissioner Coblentz: Excuse me. I realize what you have to say and that'll be a time and a place for tooting anyone's horn, but would you give us the suggestions that you make. Steve made some very good suggestions on the 1,000 square feet. You've made some suggestions on the time sequence here. Could you tell us some more.

Mr. Esposto: Yes sir. Personnel. Airporter employs 158 union people. We have baggage handlers. We have cashiers. It's impossible to unload a bus in 10 minutes at your Airport without support help. It's like an airplane. Does the pilot unload the airplane? Does the pilot collect the fares? We pioneered this, San Francisco hotels to and from the Airport in the last 3 years. We've given people four choices of destinations. It's been very successful. I've been to perhaps 100 PUC hearings on deregulation recently and one of them finally the decisions came out and said that it's time for bus companies to stop coming to the courts for help, it's time for them to go to the marketplace, and that's what deregulation means in my opinion. It's to go out and get the people and take them where they want to go. There's nowhere in this document that 12 busses, 35-foot, ten year old busses, $20-million worth of insurance, no baggage handlers.

Commissioner Coblentz: How much insurance do you think there should be?

Mr. Esposto: I agree with Mr. Werbe. At least $40 to $50-million. We carried recently American College of Surgeons. I'd hate to think the liability of an accident there.

Commissioner Coblentz: What about the size of the bus?

Mr. Esposto: 40-foot. The state of the art.

Commissioner Coblentz: What do you think about the size of the bus being 35 to 40 feet, rather than the straight 40 feet?

Mr. Esposto: A 40-foot bus without a restroom will accommodate 53 passengers comfortably and we'll have 3 bins under the bus.

Commissioner Coblentz: The idea, we put in here 2 bins, we put in 40 passengers. Is there anything wrong with putting in 3 bins and 35 to 40 passengers?

Mr. Esposto: No sir. At least. Our schedules call for 15 minute headway, that's four departures an hour. At 50 passengers even that's 200 passengers. There's some hours where we transport 700 or 800 people. We have no reservations in this bus system. We don't know when a wide-body airplane comes in if they will all want us or if none of them want us. We have capabilities with radios in our busses now to call what we call standby busses out of the back of the Airport that come in and fill in. Under your theory what happens if at the South Terminal the bus fills? Does that mean....(interrupted)

Commissioner Coblentz: What you're saying is that 12 busses is inadequate.

Mr. Esposto: Very inadequate.

Commissioner Coblentz: What do you think the minimum should be?

Mr. Esposto: 25.

Commissioner Fleishell: What about the radio capability? Is that necessary?

Mr. Esposto: Yes sir. It's necessary because number one, we have a fulltime dispatcher on duty at the Airport at all times and Airporter, if the Director will agree with me, is the so called emergency bus company. Our dispatchers are able to get ahold of anyone in our system at a moment's notice and commandeer them, which we have done. Also, it brings up the freeway safety. Our drivers are constantly on the air with the CHP regarding the freeway construction and the like. The Airport shows in its desires a safe, reliable, convenient and readily available bus service. Airporter feels it does that just now and it's a first class operation. This document is taking away from that first class operation. Our busses are inspected by the CHP yearly and we have one of the highest ratings in the State of California simply because we have a full staff of mechanics; our busses are cleaned after every shift. We put 36 shifts a day out.

Commissioner Coblentz: Excuse me for going on. I really wish you'd go as to the document. It would be most helpful.

Mr. Esposto: Yes sir. Shall I address the downtown terminal?

Commissioner Coblentz: Sure.

Mr. Esposto: It was wonderful to work off the street at Taylor and O'Farrell Streets in 1979 when the rain was coming down. People were everywhere with umbrellas.

Commissioner Coblentz: You contend that 1,000 feet is inadequate. Is that right? What's adequate?

Mr. Esposto: 20,000 feet.

Commissioner Coblentz: What's the terminal now?

Mr. Esposto: 23,000 feet. And you have places where a bus can unload at the same time a bus is loading and keep the peoples luggage away from the elements.

Commissioner Coblentz: Do you agree with Mr. Leonoudakis that you need an area for taxis?

Mr. Esposto: It's there right now.

Commissioner Coblentz: No. No. I'm not asking you that. It's not in the document.

Mr. Esposto: No sir, it isn't in the document. Another point is that the Leonoudakis family brought the payroll back to the City. This company was based....(interrupted)

Commissioner Coblentz: I'm not going to win my battle with you or anybody else.

Commissioner Bernstein: Did you hire him just for today?

Mr. Leonoudakis: No. He's been around 20 years.

Commissioner Coblentz: What are the other suggestions you have as to the bid document?

Mr Esposto: Shall I start with number one, sir? Prevailing wage is an issue that I have problems with. Here we are with a company that's been in existence for 30 years and of course every year during the contract period it goes up and up and up. We'd be at a real distinct disadvantage bidding against someone off the street...(interrupted)

Commissioner Coblentz: That's something we have to clarify. Because I understand that if there's a union contract that's one thing and we've got to coordinate with the City ordinance.

Mr. Esposto: The question I have regarding that is we have baggage handlers and cashiers that are required by the drivers' contract. We consider them as a fringe benefit to the driver. Is that so? Would that be included with that? It should include it.

Commissioner Goosby: I think there has to be some wording worked out.

Mr. Turpen: As a point of our approach to this thing, the staff was not prepared to dictate how a motor coach agreement should be run. We're simply trying to talk in terms of the objectives that we wanted to achieve.

Commissioner Coblentz: Subparagraph n is inadequate right now. What's your next point?

Mr. Esposto: I think I brought up enough now, sir. Thank you.

Commissioner Kadish: It seems to me that at this point we have had a whole variety of questions and issues that have been raised both at

the Commission level and in the audience level and participant level and that what we need is to have you go back with this document, refine it, and come back to us again with it.

Commissioner Bernstein: Wait just a minute, there's one more speaker, Mr. MacKenzie of the Auto Machinists' Lodge #1305.

Mr. Leonoudakis: I just wanted to finish with one last comment, Mr. Chairman, if I might. This document calls for prequalification of the bidders. The questionnaire on prequalification is far too shallow. Example: You can qualify to bid this service if you've done $500,000 worth of business in the last three years. This is a multi-million dollar service. Point number 2: Never allow the word "van" to be in this agreement. Vans do not move people. In the size and magnitude that you're looking to give service and I respectfully request that any language with reference to vans really ought to come out.

Commissioner Bernstein: Mr. MacKenzie.

Mr. MacKenzie: Commissioners maybe I can help you on this prevailing rate issue since we were the one who pushed for the prevailing rate language as it exists and also that we have collective bargaining agreements with most of the bus companies that are in San Francisco and the majority of them that are here looking to bid on this. We also have a collective bargaining or a memorandum understanding with the City and County of San Francisco which we go through a salary survey which includes the US government, State of California, private sector, public sector of the 5 Bay Area counties. Now, to give you a run down on the average wages and the different bus companies and this is something we generally don't like to put out to publication because it makes it a little tougher to negotiate the next time around, but EastShore Lines... (interrupted)

Commissioner Coblentz: May I say this, excuse me, sir. I'm not interested in that. All I'm interested in is trying to draft an adequate document here. I don't care what anyother people pay. We must confine ourselves to whatever the ordinance says.

Mr. MacKenzie: All right, but what I was going to have to show you the prevailing rate to generate the prevailing rate you have to take in the area contracts that are here and including the City and County contracts which the City and County has with the bus lines. And the City and County average wage right now is $19.93 per hour. And that's a darn good guideline considering that all mechanics guide under that... (interrupted)

Commissioner Goosby: I understand that the guideline is already established by the State. And the State I assume takes an average of all the union contracts and everything else....(interrupted)

Mr. MacKenzie: The State is used in the survey. This is part of the City survey. The set wages.

Commissioner Goosby: They give the City Civil Service Commission the figure which is based upon an average of a great many salaries and they say that's pretty close to the prevailing wage.

Mr. MacKenzie: I know. I get into the salary standardization every year for our members to come up with the salary standardization. We are the benchmark. That's why I can come up with these figures because I know the figures. I work with them every year to get

involved in the prevailing rates. Also, to answer the question from Greyhound, which we even have a collective bargaining agreement with Greyhound, a 43-passenger bus all you have to do slide the seats because they're on tracks, loosen 4 bolts, slide the seats and add another set of seats in there and that gives you a 45-passenger bus. Unless you want a bus to go across country, then you're going to have a 43-passenger bus that a person's going to travel in for 8 to 10 hours or 5 days and then you're going to have a 43-passenger bus. I'm just giving some imput on some of the things I heard. The Commission shouldconsider that when an airplane comes in that holds 250 people if 100 of those people look for bus transportation at 45 passengers a bus you have a minimum of 2-1/2 busses right now and if you're saying you want a bus into the Airport every 15 minutes where's your second bus coming from, right now? It's not there, so your figures are way off hand. The baggage bin issue. You should take a look at coaches. Coaches have been made that are transit-type coaches that hold a baggage bin on either side and they used to be called a Washington bus that had a baggage bin about the size of a seat, the hand cupboard that you could open up and not even put a full suitcase into it so you should take a look at what types of dimensions you want in baggage bins. There's a lot of things more than just say hey, mini-busses. Mini-busses have never carried a baggage bin. That means baggage on the side seats or maybe little tiny rack up on top. There's no baggage bins on the sides of a mini-bus.

Commissioner Coblentz: Well, there is the back?

Mr. MacKenzie: One of those little wooden boxes that have been added onto? That's not a baggage bin.

Commissioner Coblentz: What does Hertz and the rest have?

Mr. MacKenzie: Those are transit-type coaches, not mainline coaches which I believe the Commission is seeking for mainline-type operation to bring people into town in a first-rate type of transportation not second class.

Commissioner Bernstein: Okay. Thank you very much. Mr. Turpen.

Commissioner Coblentz: I suggest that this matter be referred back to staff. There is a great deal of additional refinement that must be made on it. I appreciate everyones attendance here and their raising the questions. They've helped us tremendously.

Commissioner Kadish: I think also, Bill, if I may add this. This is a very complex issue and if we had not had this initial document as a takeoff point we wouldn't have refined it to the point that we have today and that we will have when you come back with a new document, so it is not to be accepted as a complete denigration of what the staff has done.

Commissioner Coblentz: Is there anything else? I move that we go into closed session.

Mr. Turpen: Thank you ladies and gentlemen.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. TRAILING CALENDAR:

There was no discussion of trailing calendar items

* * *

K. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 3:30 P.M. to go into closed session.

Jean Caramatti
Commission Secretary

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MINUTES

SPECIAL MEETING
DECEMBER 11, 1984

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President
WILLIAM K. COBLENTZ
Vice-President
DR. Z.L. GOOSBY
J. EDWARD FLEISHELL
ATHENA TSOUGARAKIS

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

Index
of the Minutes
Airports Commission

December 11, 1984

Calendar Section	Agenda Item	Title	Resolution Number	Page
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meetings of		
		September 4, 1984,	84-0309	
		September 18, 1984,	84-0310	
		November 6, 1984, and	84-0311	
		November 20, 1984	84-0312	3
D.		ANNOUNCEMENT BY SECRETARY:		3
E.		DIRECTOR'S REPORTS:		
	1.	North Terminal Cart Concession, Oral Report		4
	2.	Valet Parking - July to October, 1984		4
	3.	Airline Delays and Baggage Handling		4
F.		ITEMS INITIATED BY COMMISSIONERS:		4
G.		POLICY:		
	4.	Amendment of Rules and Regulations to Prohibit Unauthorized Deliveries at the Airport.	84-0313	5
H.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	5.	I-380 Mitigation Measures, San Francisco Garter Snake, Study Extension	84-0314	5
	6	Airport Improvement Program (AIP No. 3A)	84-0315	5
	7.	Amendment to Professional Services Agreement	84-0316	5-6

Calendar Section	Agenda Item	Title	Resolution Number	Page
	8.	Resolution Authorizing the Mutual Termination of the Qantas Plot 7S Lease	84-0317	6
	9.	Award of Contract No. 919D Reconstruction of Airfield Perimeter Dike	84-0318	6
I.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	10.	Final Modification and Close-Out of Contract 1200B(5) Water Display Fountain for Boarding Area D - $15,580.18	84-0319	6
	11.	Modification No. 2 to Contract 1481, High Voltage Distribution in International and South Terminals in the amount of $12,200.	84-0320	6
	12.	Contract No. 1494 - Emergency Roofing Repairs, Modification No. 2 (Type 2) Extension of Time	84-0321	7
	13.	Declaration of Emergency Power Cable 4BB-1 American Airlines	84-0322	7
	14.	Statistical Adjustments for 1984-85 Joint Use Billings Under New Lease and Use Agreement	84-0323	7
J.		CORRESPONDENCE:		7
K.		TRAILING CALENDAR:		7
L.		CLOSED SESSIONS:		7
M.		ADJOURNMENT:		8

Minutes
of the
Airports Commission Special Meeting

December 11, 1984

A. CALL TO ORDER:

The special meeting of the Airports Commission was called to order at 9:00 A.M. in Room 2C, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Commissioners Morris Bernstein, William K. Coblentz, Z. L. Goosby, J. Edward Fleishell.
Absent:	Ruth S. Kadish.

* * *

C. ADOPTION OF MINUTES:

No. 84-0309	Regular meetings of September 4, 1984,
No. 84-0310	September 18, 1984,
No. 84-0311	November 6, 1984, and
No. 84-0312	November 20, 1984

* * *

D. ANNOUNCEMENT BY SECRETARY: In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary, announced unanimous adoption of Resolution No. 84-0307 and 84-0308 regarding the settlement of litigated claims at the Closed Session of November 20, 1984.

* * *

E. DIRECTOR'S REPORTS:

The following item was put over.

1. North Terminal Cart Concession - Oral Report

Mr. Lou Turpen, Airport Director, asked that this item be put over as he and Commissioner Bernstein have not had the opportunity to review the potential locations.

2. Valet Parking - July to October, 1984.

Report covering the four-month period from July to October, 1984 on Valet Parking Service as requested by the Commission.

Mr. Turpen said the report was self-explanatory and said that the Commission will receive another report at the second meeting in January for the period covering November and December. He said that valet continues to break even.

3. Airline Delays and Baggage Handling.

Report regarding airline delays at San Francisco International Airport and baggage handling/thefts.

Mr. Turpen explained that the key area of difficulty is baggage delivery and that there are complications with simultaneous flight arrivals.

Commissioner Fleishell commented that the 29 delays addressed in the memo do not coincide with his experience or his conversations with control tower personnel.

Mr. Turpen called the Commission's attention to the asterisk and said that it was 29 delays per 1000.

Commissioner Fleishell said that at 9:00 A.M. there are usually 12 planes lined up for takeoff or 11 planes with gate holds. He asked what could be done about this.

Mr. Turpen responded that delays may be air traffic generated but in many cases they are station generated. The doors can close at 9:00 A.M. and claim an on-time departure but the plane might sit at the gate while baggage is being loaded.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. POLICY:

The following item was unanimously adopted.

4. Amendment of Rules and Regulations to Prohibit Unauthorized Deliveries at the Airport.

No. 84-0313

* * *

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following items were unanimously adopted.

5. I-380 Mitigation Measures, San Francisco Garter Snake, Study Extension

No. 84-0314 — Resolution permitting an eleven month time extension for the study of the San Francisco Garter Snake being conducted on the West of Bayshore property.

Mr. Turpen recommended approval of the extension to insure that the Commission is aware of all the mitigation measures available in the event the Commission decides to develop the West of Bayshore area: Once the extension is granted and the Airport petitions for an EIR they have 9 months to one year to come up with acceptable mitigation alternatives.

6. Airport Improvement Program (AIP No. 3A)

No. 84-0315 — Project application for AIP Fund of $225,000 and requesting Board of Supervisors to authorize filing of project application and to accept the resulting grant offer.

Mr. Turpen congratulated Dennis Bouey, Deputy Director for Facilities, Operations and Maintenance, and his staff for making a significant effort in clearing up a lot of old projects which qualified the Airport for discretionary FAA funding of $225,000. The money will basically be spent on two projects: the pavement management system and the Master Plan.

Commissioner Goosby asked the City Attorney to find out what the Airport's legal position is regarding the FAA regulations.

7. Amendment to Professional Services Agreement

No. 84-0316 — Amendment to Professional Services Agreement for Soils and Foundation Engineering for the South Terminal Modernization and Replacement

Projects. Amendment is to agreement with PSC Associates providing additional funding in the not-to-exceed sum of $110,000.

8. Resolution Authorizing the Mutual Termination of the Qantas Plot 7S Lease

No. 84-0317 — Resolution authorizing the mutual termination of the Qantas Plot 7S lease and further authorizing the subsequent leasing of the premises to other tenants.

9. Award of Contract No. 919D
Reconstruction of Airfield Perimeter Dike

No. 84-0318 — Resolution awarding Contract 919D to McGuire and Hester in the amount of $788,500.

Five bids were received on November 13, 1984 ranging from $788,500 to $1,004,030.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

10. Final Modification and Close-Out of Contract 1200B(5)
Water Display Fountain for Boarding Area D - $15,580.18.

No. 84-0319 — Final modification to close-out contract including adjustments to bid items in accordance with City's Administrative Code.

11. Modification No. 2 to Contract 1481
High Voltage Distribution in International and South Terminals in the amount of $12,200.00.

No. 84-0320 — Resolution approving Modification No. 2 to Contract 1481, High Voltage Distribution in International and South Terminals in the amount of $12,200.00. This modification is for the purchase of a 600 volt, 250 amp switch gear circuit breaker to provide a maintenance spare circuit breaker for the High Voltage Distribution System for the International and South Terminals.

12. Contract No. 1494 - Emergency Roofing Repairs
Modification No. 2 (Type 2) Extension of Time

No. 84-0321 — Resolution approving a modification of contract extending the completion date from December 31, 1984 to June 30, 1985 at no additional cost to the City.

13. Declaration of Emergency Power Cable 4BB-1
American Air Lines

No. 84-0322 — Proposed resolution declaring the existence of an emergency in the failure of Power Cable 4BB-1 serving American Airlines; directing the Director of Airports to make the necessary replacement and requesting the Controller to certify funds needed to make such repairs. Power Cable - $22,000.

14. Statistical Adjustments for 1984-85 Joint Use Billings Under New Lease and Use Agreement.

No. 84-0323 — Resolution adjusting 1984-85 Joint Use Billings pursuant to Section 101.W of the new Airline Airport Lease and Use Agreement for TACA International Airlines.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. TRAILING CALENDAR:

There was no discussion of trailing calendar items.

* * *

M. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared items before the Commission the meeting adjourned at 9:11 A.M. to go into closed session.

Jean Caramatti
Commission Secretary